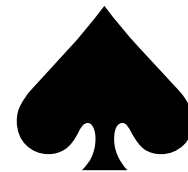


SPADE INVESTOR



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Defense * Homeland Security * Space

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May 14, 2008 - CNBC - 4:45 p.m.

ETF tracking segment - PPA is a strong buy no matter which way the election goes.

In the May issue...

- * An Interview with Robert Stevens, CEO of Lockheed Martin
- * Major Defense Program Competitions

"The election should have little near-term impact on the defense sector." CNBC May 30th

Wall Street Journal May 8th

...Even as defense companies work out the kinks on the high-tech border security systems meant to protect the U.S., they have their eyes on an even bigger prize: the rest of the world. Defense contractors...are going after foreign contracts valued at billions of dollars as governments in Asia, Europe, and the Middle East seek to crack down on everything from terrorists to travelers overstaying their visas. Some analysts and industry officials believe the international homeland security market could be worth tens of billions of dollars a year, making it a prime target for U.S. companies...

Commentary:

In this month's commentary, there are two trends I'd like to address, the second quarter rise in defense stocks, and a tip of the hat to...ourselves.

Merger Mania & Defense Supplier Base

With the exchange rate between the dollar and the euro offering tremendous purchasing power, European firms have been bidding for and acquiring U.S.-based defense firms in order to gain a local foothold in this market and diversify from their home territory. Among the deals have been Finmeccanica's (Italy) acquisition of DRS (proposed), Cobham plc. of SPARTA; and BAE's acquisition of Armor Holdings, MTC Technologies, and United Defense. Meanwhile EADS (France) has indicated their interest in doing a \$1 billion deal in the U.S. in 2008 and VT Group (UK) has doubled their target for U.S. sales from \$500 million to \$1 billion.

In addition, U.S. firms which collectively are only 10% off their all-time highs and flush with cash from the ongoing bull market in defense and security have also been quite active in acquiring smaller, niche organizations that can strengthen their product base for the anticipated shift in defense spending from military operations to acquisition, development, rebuilding, and recapitalization. Among recent deals are ITT's acquisition of EDO, Northrop Grumman's purchase of Essex Corp., and Raytheon's acqui-

sition of SI Government Solutions, a software company that protects government and commercial data. In addition rumors put defense electronics firm, Harris Corporation, on the block although the CEO denies the company is for sale (at least at the moment).

On average, the defense sector sees several hundred deals annually, although, pardon the pun, much of this flies below the radar of those outside the industry.

Defense sector M&A is a vibrant business and the U.S. Department of Defense has crafted an excellent system by which they fund and create small, entrepreneurial organizations either through direct contracts or through teaming and mentor programs.

That said, there is increasing concern about the impact of non-U.S. firms acquiring U.S. defense contractors. Coming on the heels of the EADS-Northrop Grumman contract win for the Air Force tanker, a several hundred billion dollar program, it can be expected that Congress (and others) will highly scrutinize these cross-border deals for political reasons even as prior approvals for several BAE-led deals were thought to pave the way for future cross-Atlantic acquisitions.

Even with rules governing international cooperation activities designed to protect (and limit) the exchange of advanced technology, ultimately we see new deals subject to scrutiny greater than that in the past.

SPADE Defense Index Statistics

5/30/08 Close: 2451.57
All-time Close: 2747.67
Date of all-time close: 9 October 2007

	SPADE Defense	S&P500
May	3.14%	1.07%
Quarter to Date	10.19%	5.87%
Year to Date	[4.72%]	[4.63%]

SPADE Defense Index Historical Performance

	SPADE Defense	S&P500
Since Inception	11.90%	5.89%
1-Year	1.21%	[5.08%]
3-Year	10.84%	5.84
5-Year	18.97%	11.32%
10-Year	9.22%	3.50%

source: Powershares as of 3/31/08

For good or bad, international deals open up a market for mid-sized companies that U.S. companies might be unable to access because of concerns about reduced competition.

Replenishing the mid-tier supplier base will become an increasingly important issue for military planners in the years to come as greater resources are allocated to a tightening number of firms with the unique skills and capabilities to carry out the desired mission.

Changes to Sarbanes-Oxley or a waiver for defense sector firms who already go through a high level of oversight associated with government contracting could reduce the costs and encourage smaller defense firms to enter the public markets, access capital, and develop the next evolution of mid-cap suppliers.

A diverse group of ideas but all inter-related.

Rebound in the Defense Sector

A tip of the hat to...ourselves. I've mentioned to a few people that we've never found the occasion to edit or remove any of the commentaries that have appeared in the past. The last two issues stated that a decline in defense

continued on page 2

May 2008 Top Gainers

1	Applied Signal	35.23%
2	Argon ST	31.12%
3	Cogent	28.30%
4	DRS Technologies	26.17%
5	Stanley	25.09%
6	Harris Corp.	21.75%
7	Trimble	21.50%
8	Garmin	18.95%
9	URS Corp	18.52%
10	FLIR Systems	14.83%

May 2008 Laggards

1	GeoEye	[25.97%]
2	AAR Corporation	[17.61%]
3	SRA International	[10.64%]
4	Cubic	[6.75%]
5	TASER	[5.76%]
6	Teledyne Tech.	[5.19%]
7	Goodrich	[4.90%]
8	Dyncorp	[4.79%]
9	L-3 Communications	[3.64%]
10	Orbital Sciences	[3.53%]

YTD Top Gainers

1	DRS Technologies	45.16%
2	Trimble	31.75%
3	Argon ST	30.06%
4	FLIR Systems	25.94%
5	Ball Corporation	20.67%
6	Esterline Tech.	19.67%
7	Mantech	15.08%
8	Applied Signal	13.92%
9	CACI	13.85%
10	Aerovironment	9.83%

YTD Laggards

1	Taser	[51.15%]
2	Garmin	[49.85%]
3	GeoEye	[49.33%]
4	AAR Corporation	[49.30%]
5	Mercury Computer	[44.94%]
6	ViaSat	[37.44%]
7	DynCorp	[36.42%]
8	Cubic	[35.51%]
9	GenCorp	[28.64%]
10	Ladish	[24.73%]

Index and Industry Statistics

ETF Statistics (AMEX: PPA)

Powershares Aerospace & Defense

Exchange / Ticker Symbol:	AMEX / PPA
Fee	60 basis
Assets (5/30/08)	\$ 259.6M
Closing Price (5/30/08)	\$ 21.58
May 08 Volume	1,406,900

Powershares Aerospace & Defense ETF(PPA)

Average Portfolio Market Cap*	\$ 13.08 Billion
Portfolio P/E*	14.12
Portfolio P/S*	0.99
Portfolio P/B*	2.43
Portfolio P/Cash Flow*	10.01
Earnings Growth Rate (ttm)*	13.48%
3 month Avg Daily Trading Volume**	96,385
Turnover	16%

source: Yahoo! Finance, [* 31 March 08 data] - [** 5 June 08]

Commentary (continued)

stocks was an overreaction to issues unrelated to the sector, and b> that a technical analysis showed that the sector was primed for a bounce up. Well for the quarter the SPADE Defense Index has outperformed the S&P-500 by 432 basis points and is up 10.19%. Those that actually read this commentary hopefully benefitted from this insight.

Looking forward, although past performance can't predict future gains, we've decided to see how the index has performed during the summer months over the past few years.

SPADE Defense Index				
	2007	2006	2005	2004
June	0.63%	[1.04%]	1.34%	3.41%
July	0.60%	[0.12%]	3.62%	[2.35%]
August	3.14%	0.27%	0.46%	0.60%
Sept	6.35%	3.65%	0.33%	4.65%

In looking at the below table, we make five observations:

1. The SPADE Defense Index produced positive gains over the summer months in three of the last four years. In the exception, 2006, an investment at the start of June would still turn positive by September.
2. The S&P 500 produced negative returns in half the summer months, **twice that** of the SPADE Defense Index.
3. What happens in June has been a harbinger of what to expect in July and August. In 2005, 2006, and 2007, positive returns in June meant gains in July and August. In the exception, 2004, a down month in July was recaptured by September.

S&P 500				
	2007	2006	2005	2004
June	[1.78%]	0.01%	[0.01%]	[1.68%]
July	[3.20%]	0.51%	3.60%	1.21%
August	1.29%	2.13%	[1.12%]	[1.41%]

Alpha Return of SPADE (vs S&P500)				
	2007	2006	2005	2004
June	241 bps	[105] bps	135 bps	509 bps
July	380 bps	[63] bps	2 bps	[356] bps
August	185 bps	[190] bps	158 bps	201 bps
Sept	278 bps	119 bps	[36] bps	553 bps

4. There is a negative correlation between the SPADE and the S&P500 during the June to August timeframe.
5. The SPADE Defense Index consistently outperformed the S&P500.

The Presidential Election

Although we've discussed this topic several times over the past year, much more attention will obviously be focused in this area as November approaches and the candidates address specific issues. As mentioned in previous newsletters there will be a lot of rhetoric as to should we stay (and if so, how long) or should we go (and if so, how quickly). Ultimately though, there are a number of reasons why spending on defense and homeland security will remain a key focus of government. On May 30th, comments on CNBC stated that the **election should have little near-term impact on the defense sector.**

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Year	SPADE	S&P500
YTD	[4.72%]	[4.63%]
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%

Quarter	SPADE	S&P500
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%
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%

Commentary (continued from page 2)

With politics playing a key factor in defense spending, it is likely that we will be revisiting the election and its affect on the defense sector in future issues.

4. Budget Battles

Speaking of politics, there is growing concern that the FY09 budget might be delayed as the

White House and Congress battle over appropriations. This could impact how the Pentagon moves forward on new or expanding programs. There is still plenty of time, but it is something worth keeping our eye on.

Similarly, there are political issues affecting passage of the latest supplemental spending bill. As in the past, we anticipate that Congress and the White House will eventually work things out and this is nothing more than political posturing in advance of the next election.

Contracts

\$1.46 Billion for GPS Satellites

The U.S. Air Force awarded a Lockheed Martin led team (partners included ITT), a contract for two Global Positioning System III satellites that will be compatible with the EU's Galileo constellation and provide increased accuracy and anti-jamming capabilities. The contract includes options for 10 more satellites and, over the next decade, could (and likely will) be worth as much as \$3.57 billion. This next generation GPS satellite network will be able increase location accuracy from 9 feet to 9 inches.

More Defense Satellite Contracts

The Space-Based Space Surveillance Block 10 satellite, to launch in 2009, is anticipated to cost \$823.9 million. Boeing and Ball Aerospace lead a

team building the spacecraft and a highly responsive optical telescope.

\$4.5 Billion for New Planes

The House Armed Services Panel recommended spending \$3.9 billion on 15 Boeing C-17 cargo planes. The Air & Land Forces Subcommittee recommended spending an additional \$523 million for a down payment on 20 additional Lockheed Martin F-22 fighters.

\$12 Billion for UK Flight Training

Lockheed Martin and VT Group (UK) received an initial contract worth nearly \$1.25 billion to provide military flight training to the UK armed forces for the next 25 years. The value of the contract would reach almost \$12 billion over the life of the program.

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“The fundamental drivers of defense are different than those of the rest of the market, and they remain solid, in our view... We do not see the global-threat environment substantially improving, we believe that growth in defense budgets will continue to rise (albeit more slowly than in the recent past), and we think (in general) that **consensus expectations for 2008 are too low.**”

Patrick McCarthy, Analyst,
Friedman, Billings, Ramsey & Co.

MRO Spending Forecast

source: Oliver Wyman/Aviation Week survey 28 April 2008
(see article for analysis)

	Engine	Airframe	Components	Total Market
2008	\$13.2 B	\$10.7 B	\$8.3 B	\$32.2 B
2011	\$15.7 B	\$13.4 B	\$9.7 B	\$38.8 B
2013	\$18.2 B	\$14.8 B	\$10.3 B	\$43.3 B
CAGR	4.4%	6.7%	6.5%	

**Department of Defense FY-09
Discretionary Budget Authority (\$ billions)**

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Military Personnel	\$117.5	\$125.2	\$128.6	\$133.9	\$139.0	\$143.8
Operations & Maintenance	\$221.7	\$179.8	\$181.5	\$187.2	\$190.2	\$197.2
Procurement	\$126.1	\$104.2	\$113.3	\$117.8	\$122.5	\$125.1
RDT&E	\$76.5	\$79.6	\$77.0	\$72.4	\$71.1	\$68.6
Military Construction	\$17.8	\$21.2	\$17.8	\$14.5	\$11.5	\$10.2
Family Housing	\$2.9	\$3.2	\$2.7	\$2.1	\$2.0	\$1.8
Working Capital Funds	\$3.7	\$2.2	\$3.0	\$2.4	\$2.8	\$2.1
Total Budget Authority	\$566.2	\$515.4	\$523.8	\$530.3	\$539.1	\$548.9

*Budgets from FY09 to FY13 do not include supplemental spending
source: FY09 Green Book*

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About

The SPADE Defense Index (AMEX: 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)

The Powershares Aerospace & Defense Portfolio ETF (AMEX: PPA) is designed to track the performance of the SPADE Defense Index

Options

ETF options are traded by the American Stock Exchange using the underlying ticker.

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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News/ Statistics / Contracts

International Acquisitions

Italy's Finmeccanica announced their intention to acquire DRS Technology in a deal valued about \$4 billion. The deal is part of the firm's plans to become a player in the global defense market. Although plans call for DRS to remain a stand-alone subsidiary to satisfy American regulations regarding foreign-owned defense companies. The deal is likely to be approved but it will be later this year or 2009 before a national security review is undertaken and the acquisition approved. Until finalized and a material change in ownership takes place, DRS will remain a public company and will remain in the SPADE Defense Index.

Rising Sales and Operating Margins

Northrop Grumman CEO Ronald Sugar told Reuters on May 30th that the firm continues to have an outstanding long-term outlook. The company's target for 2012 sales is \$42 billion, up from \$33 billion with margins rising from 8% in 2008 to 10% in 2012.

Next Generation Bomber Contract

As reported in *Aerospace Daily & Defense Report*, an analysis of first quarter results indicated that Northrop Grumman won a contract to build a prototype for the Air Force's Next Generation Bomber. The company's results show that the firm received \$2.5 billion for classified aircraft programs.

India - Fighter Jet Market

The anticipated \$11 billion order by India for fighter jets won't happen before 2010 according to Boeing Defense executives. Boeing and Lockheed Martin are among the companies that submitted bids in April.

Europe - Fighter Jet Market

According to AviationWeek.com, at least ten European companies are considering purchasing new fighter jets by 2010.

Aerospace Trade Balance Surges

Exports of aerospace products surged in the fourth quarter of 2007 bringing the U.S. trade balance into record positive territory, hitting a total of \$60.4 billion

Commercial Aerospace

A380 Production Delays

Airbus announced that they are delaying delivery dates of their A380 by another three months through 2010.

787 Makes Progress

In early May, Boeing began assembling its fifth 787 plane as suppliers have resolved many prob-

lems which delayed the planes' production schedule.

New Technology

Fuel

An increasing number of alternative fuel projects are underway including a Honeywell, among others, effort to develop a biofuel to replace a third of the kerosene used on the world's commercial airlines by 2030. Also, Air New Zealand is working with Boeing and Rolls-Royce to fly a 747 with one of four engines powered by a biofuel/kerosene mix.

As an FYI, the rise in oil prices is expected to cost the DoD an additional \$2.48 billion in 2008.

The U.S. Army's "Iron-Man"

Raytheon is under contract to develop a full-body exoskeleton that will allow soldiers to carry more weight in the battlefield. Plans are to test the system early next decade.

Homeland Security

The May 8th *Wall Street Journal* discussed how some defense companies are taking steps to boost their share of the international homeland security market...“competing for contracts worth billions of dollars.” Areas include marketing “virtual fences” and high-tech screening systems.

A new Government Accountability Office (GAO) report found that port security remains a key concern and remains vulnerable to breeches.

U.S. Military Reset & Recapitalization

The Army received \$18.4 billion for equipment reset in the 2008 budget. Although the Army Materiel Command has more than 50 refurbishment and replacement logistics sites, it is relying more on industry and private firms to deliver parts and make repairs to Humvees, trucks, trailers, and tracked vehicles.

Army Needs \$190 Billion

Government Accountability Office (GAO) officials projected that the the Army will need to spend \$190 billion to replace older weapons, expand the force, and restructure units through 2013. This amount does not include spending on Future Combat Systems force modernization programs.

900 Fighter Jets Short

Defense News reported that the U.S. military could end up 900 fighter jets short of their needs by 2020, citing Air Force and Navy Officials.

Jun-00		SPADEF Defense Index					Market	Forward	Price/	Price/	PEG	
Company	Ticker	Float %	Price	Price	% Ch	% Ch	Cap	P/E	Sales	Book	5 yr	Div Yld
		30-May-08	30-Apr-08	31-May-08	YTD	MTD	intraday	(ttm)	ttm	mrq	expected	forward %
Boeing Co	BA	7.23%	84.86	82.77	-5.36%	-2.46%	62.20	11.84	0.92	6.83	1.03	1.90%
Lockheed Martin	LMT	7.21%	106.04	109.44	3.97%	3.21%	43.78	13.23	1.02	4.64	1.24	1.50%
Honeywell Intl	HON	7.15%	59.40	59.62	-3.17%	0.37%	44.21	13.87	1.24	4.57	1.25	1.90%
United Technologies	UTX	6.81%	72.47	71.04	-7.19%	-1.97%	69.14	13.01	1.22	3.17	1.24	1.80%
Genl Dynamics	GD	6.14%	90.42	92.15	3.55%	1.91%	36.72	14.11	1.31	3.11	2.08	1.50%
Raytheon Co	RTN	4.56%	63.97	63.86	5.21%	-0.17%	27.01	14.45	1.23	2.12	1.16	1.80%
Precision Castparts	PCP	4.36%	117.56	120.80	-12.91%	2.76%	16.79	12.74	2.40	4.06	0.78	0.10%
Northrop Grumman	NOC	4.27%	73.57	75.46	-4.04%	2.57%	25.81	12.13	0.79	1.44	0.98	2.10%
Textron	TXT	4.15%	61.01	62.55	-12.27%	2.52%	15.59	13.54	1.12	4.28	1.14	1.50%
Itt Indus	ITT	4.13%	64.00	66.00	-0.06%	3.13%	11.99	14.29	1.23	2.84	1.19	1.10%
L-3 Communications Hldgs	LLL	3.89%	111.45	107.39	1.37%	-3.64%	13.17	14.40	0.93	2.23	0.76	1.10%
Rockwell Collins	COL	3.68%	63.11	61.37	-14.73%	-2.76%	9.86	13.64	2.12	6.58	0.95	1.60%
Harris Corp	HRS	3.31%	54.03	65.78	4.95%	21.75%	8.86	16.04	1.64	3.80	1.03	1.00%
SAIC	SAI	3.04%	19.00	19.93	-0.94%	4.89%	8.22	17.33	0.92	4.34	1.43	
Goodrich Corp	GR	2.99%	68.15	64.81	-8.21%	-4.90%	8.11	12.76	1.18	2.83	0.89	1.40%
Computer Sciences	CSC	2.97%	43.59	49.15	-0.65%	12.76%	7.80	10.50	0.49	1.45	1.20	
Garmin Ltd	GRMN	2.94%	40.90	48.65	-49.85%	18.95%	10.49	10.98	3.06	4.13	0.73	1.60%
Flir Systems	FLIR	2.00%	34.33	39.42	25.94%	14.83%	5.41	27.76	6.28	7.88	1.62	
Ball Corp	BLL	1.95%	53.78	54.30	20.67%	0.97%	5.31	12.60	0.70	3.60	1.42	0.70%
Trimble Navigation Ltd	TRMB	1.78%	32.79	39.84	31.75%	21.50%	4.83	21.65	3.65	4.07	1.44	
URS Corporation	URS	1.47%	40.34	47.81	-12.00%	18.52%	4.04	16.37	0.60	1.10	1.37	
Alliant Techsystems	ATK	1.31%	109.98	108.56	-4.57%	-1.29%	3.56	13.22	0.84	4.73	1.83	
Drs Technologies	DRS	1.20%	62.44	78.78	45.16%	26.17%	3.26	19.65	1.03	2.00	2.00	0.20%
Oshkosh Truck	OSK	1.11%	40.60	40.41	-14.49%	-0.47%	3.01	7.92	0.44	1.93	0.43	1.00%
Eibit Systems	ESLT	0.97%	54.73	62.66	5.20%	14.49%	2.64	17.90	1.33	4.92	2.16	1.10%
Teledyne Technologies	TDY	0.73%	58.73	55.68	4.41%	-5.19%	1.97	16.47	1.16	3.47	1.25	
Moog Inc.	MOGA	0.71%	43.11	45.34	-1.03%	5.17%	1.93	14.35	1.10	2.08	1.18	
Esterline Technologies	ESL	0.67%	55.66	61.93	19.67%	11.26%	1.82	16.00	1.25	1.53	0.69	
Mantech International'a'	MANT	0.64%	47.77	50.43	15.08%	5.57%	1.75	18.27	1.11	3.03	1.29	
Caci Intl	CAI	0.57%	50.12	50.97	13.85%	1.70%	1.53	16.23	0.66	1.71	1.16	
Orbital Sciences Corp	ORB	0.56%	26.91	25.96	5.87%	-3.53%	1.52	24.26	1.31	3.47	1.66	
Sra International'a'	SRX	0.50%	26.27	23.58	-19.93%	-10.24%	1.35	17.21	0.92	1.94	1.17	
L-1 Identity Solutions	ID	0.44%	14.41	15.84	-11.75%	9.92%	1.23	45.26	2.85	1.11	6.03	
Ceradyne Inc	CRDN	0.43%	38.96	43.13	-8.10%	10.70%	1.14	8.52	1.50	1.90	1.44	
Cogent Inc.	COGT	0.42%	9.33	11.97	7.35%	28.30%	1.14	22.17	10.78	2.20	1.74	
Triumph Group	TGI	0.38%	58.87	62.19	-24.48%	5.64%	1.01	10.67	0.88	1.46	0.63	0.30%
DynCorp	DCP	0.36%	17.95	17.09	-36.42%	-4.79%	0.97	11.63	0.42	2.15	1.19	
AAR Corp	AIR	0.28%	23.40	19.28	-49.30%	-17.61%	0.75	8.68	0.58	1.33	0.61	
Stanley Inc.	SXE	0.26%	25.23	31.56	-1.44%	25.09%	0.71	20.10	1.18	4.28	1.38	
Cubic Corp	CUB	0.25%	27.11	25.28	-35.51%	-6.75%	0.67	13.97	0.75	1.64	1.80	0.70%
Viasat Inc	VSAT	0.24%	22.10	21.54	-37.44%	-2.53%	0.68	11.97	1.15	1.64	0.85	
AeroVironment	AVAV	0.20%	23.91	26.58	9.83%	11.17%	0.54	23.11	2.56	3.18	1.21	
Argon St	STST	0.19%	18.41	24.14	30.06%	31.12%	0.52	21.55	1.60	1.84	1.28	
Gencorp	GY	0.17%	8.57	8.32	-28.64%	-2.92%	0.47	11.72	0.63			
Ladish Co	LDSH	0.17%	30.06	32.51	-24.73%	8.15%	0.47	11.49	1.05	2.21	1.59	
American Science & Engineering	ASEI	0.17%	48.73	51.22	-9.74%	5.11%	0.45	19.40	2.79	2.80	1.01	1.50%
TASER International Inc.	TASR	0.16%	7.46	7.03	-51.15%	-5.76%	0.44	20.68	4.06	3.63	1.30	
Osi Systems	OSIS	0.16%	24.45	25.21	-4.76%	3.11%	0.45	21.36	0.75	1.68	1.61	
MTC Technologies Inc.	MTCT	0.13%	23.86	23.83	1.40%	-0.13%	0.36	18.05	0.84	1.81	2.07	
GeoEye	GEOY	0.12%	23.03	17.05	-49.33%	-25.97%	0.31	31.57	1.73	1.43	2.02	
Ducommun	DCO	0.12%	32.58	31.67	-16.66%	-2.79%	0.33	13.31	0.85	1.46	0.96	
Si International	SINT	0.12%	22.94	24.50	-10.81%	6.80%	0.33	14.16	0.61	1.22	1.14	
Applied Signal Technology	APSG	0.07%	11.44	15.47	13.92%	35.23%	0.19	21.19	1.15	1.65	1.51	3.20%
Mercury Computer Sys	MRCY	0.07%	8.02	8.87	-44.94%	10.60%	0.20		0.89	1.10		