

High Yield Industrials and Services

March Monthly - Hertz 1Q09 earnings review

In our *April Industrials and Business Services Monthly* we discuss Hertz's first quarter earnings.

We are maintaining our Hold recommendation on Hertz's unsecured instruments and our Buy recommendation on the bank debt. While we are keeping our Hold recommendation on the unsecured part of the capital structure we think the bias is for more tightening from here. Even though earnings will continue to be under pressure, we suspect investors will increasingly become more comfortable with balance sheet related risks at Hertz.

We were pleasantly surprised by color the company provided on addressing its \$5 billion 2010 maturities. We found two comments especially interesting. The first is the company's estimate of \$100-150 million of incremental annual interest expense in a refinancing based on current market conditions. The second comment was HTZ's estimate of \$700 million of corporate liquidity for AAA level enhancement. Hertz funds enhancements with letters of credit and cash. If the company can take off the table refinancing risk at these costs we think it is very good news for creditors.

Fundamentals in both car and equipment rental businesses continue to be challenging. Cash flow in the quarter and fleet debt reduction however should be welcome news for creditors. While there are some signs the car rental business trends are stabilizing (or at least not getting worse), trends in equipment rental business continued to deteriorate in the first quarter.

Weekly movers

Issuer	Coupon	Maturity	Price		YTW	STW	YTW Date
			22-Apr-08	Week/Week Change			
Top weekly gainers							
Stanadyne Automotive	10.000%	15-Aug-14	80.00	14.00	15.68%	1,373bp	15-Aug-14
Hawker Beechcraft	8.500%	1-Apr-15	35.50	7.50	34.94%	3,286bp	1-Apr-15
Hertz Corp	7.875%	1-Jan-14	58.00	7.00	22.97%	2,064bp	1-Jan-14
Hertz	10.500%	1-Jan-16	67.50	6.50	19.36%	1,712bp	1-Jan-16
Hawker Beechcraft	9.625%	1-Apr-15	19.00	6.50	41.28%	3,920bp	1-Apr-15
Hawker Beechcraft	9.750%	1-Apr-17	25.50	6.50	43.90%	4,139bp	1-Apr-17
Rental Service	9.500%	1-Dec-14	64.00	6.00	20.63%	1,862bp	1-Dec-14
Top weekly declines							
Terex	8.000%	15-Nov-17	79.75	(2.75)	11.83%	919bp	15-Nov-17
Associated Materials	9.750%	15-Apr-12	77.25	(1.75)	20.33%	1,907bp	15-Apr-12
Iron Mountain	8.000%	15-Jun-20	94.75	(1.75)	8.74%	576bp	15-Jun-20
ServiceMaster	10.750%	15-Jul-15	71.50	(1.50)	18.16%	1,477bp	15-Jul-15
Terex	7.375%	15-Jan-14	87.00	(1.50)	10.97%	917bp	15-Jan-14
Avis Budget Car Rental	7.625%	15-May-14	25.50	(1.50)	47.89%	4,599bp	15-May-14
Allied Waste Industries	9.250%	1-May-21	99.90	(1.46)	9.26%	624bp	1-May-21

Source: J.P.Morgan

High Yield Aerospace, Defense, Industrials, Building Products, and Services

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See page 37 for analyst certification and important disclosures.

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Recent publications

<u>Title</u>	<u>Date published</u>
High Yield Aerospace, Industrials and Services: Earnings calendar	April 27, 2009
High Yield Aerospace, Industrials and Services: Earnings calendar	April 17, 2009
Hawker Beechcraft: Maintaining Hold on unsecured notes: bank debt attractive	April 16, 2009
ServiceMaster Company: We still like the bank debt	April 1, 2009
High Yield Industrials and Services: February Monthly – downgrading ATK	March 31, 2009
Analyst Focus List: Sell Baldor and Buy ServiceMaster bank debt	March 25, 2009
Rexnord Corporation: Downgrading to Neutral; pair trade idea	March 23, 2009
High Yield Industrials and Services: February Monthly – Avis and Hertz	February 27, 2009
Hawker Beechcraft: Problematic capital structure	February 24, 2009
Baldor Electric: Reiterating Underweight	February 6, 2009
High Yield Industrials and Services: January Monthly – Downgrading Baldor and L-3	January 30, 2009

Hertz: 1Q09 was a weak quarter but balance sheet improved

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Fundamentals in both car and equipment rental businesses continue to be challenging. Cash flow in the quarter and fleet debt reduction however should be welcome news for creditors. While there are some signs the car rental business trends are stabilizing (or at least not getting worse), trends in equipment rental business continued to deteriorate in the first quarter. Hertz's comment that "pricing has become more competitive due to what we believe is irrational behavior by a few key competitors" doesn't bode well for the industry. Management did say the environment in April didn't get worse than in the first quarter which is an encouraging sign but we still don't have comfort this market is stabilizing. For now our base case assumption is for fundamentals to deteriorate further in the equipment rental business over the next several quarters.

Highlights from the first quarter

- **First quarter was weak, as expected, but the balance sheet improved.** Sales in the quarter were \$1.7 billion, compared to our estimate of \$1.6 billion. Adjusted corporate EBITDA was \$92 million, compared to our estimate of \$112 million. Car rental business revenues declined 21% year-over-year, and HERC sales declined 32% on account of both volume and pricing deterioration. Car rental EBITDA (excluding corporate overhead) was (\$10.9) million and HERC EBITDA (excluding overhead) was \$112.9 million.
- **Management believes end market demand may be stabilizing.** Management said on the first quarter call that it believes volume levels for the car rental business will begin improving. Management believes second quarter demand seems to be stronger than first quarter demand and estimates that third quarter demand will also be greater than the first quarter. U.S. car rental volume was down 13.4% year-over-year in the first quarter, and management estimates volume could improve three to four percentage points sequentially moving into the second and third quarters. Historically, the second and third quarters have seasonally higher demand than the first quarter.

In the equipment rental business, volume was down about 30% in February and in March but in April, management said volume seemed to be stabilizing at down 28%. According to management, the rate of decline in April has slowed “fairly significantly to closer to flat,” albeit year-over-year comparisons are getting easier. Pricing, however, has not yet shown real improvement and remains competitive. Pricing declined 4% in the first quarter, compared to a 2% decline in the fourth quarter.

- **Residual values and used markets also seem to be stabilizing.** Hertz has seen some improvement in the used car market since year-end. The Manheim Index showed 8.3% increase on wholesale used car prices from December 2008 to March 2009, with sequential monthly improvements since year-end. For Hertz, which sells cars that are typically newer in age than the Manheim Index average, residual value improved 8.7% from December to March.

In the used equipment market, management said that auction prices were fairly stable from end of December through the first quarter. Liquidity remains sufficient and management said that Hertz has had no difficulty in selling its excess equipment at those auctions, although residual values are down 18% year-over-year.

- **Management increased targeted cost saving for 2009.** Hertz is increasing its cost savings target to \$500 million, up from previous estimate of \$350 million. In the first quarter, Hertz realized \$125 million in cost savings.
- **Management remains confident it can refinance \$5 billion of ABS debt due in 2010.** Management plans to refinance 2010 maturities through extending maturities, tapping into TALF, fleet reductions and various other measures.
- **Hertz believes a GM or Chrysler bankruptcy is manageable.** Hertz has less than 1% of its fleet tied to Chrysler and about 25% of its U.S. fleet tied to GM. Hertz estimates \$20 million of fleet receivables outstanding under the GM vehicle repurchase program, and \$170 million in estimated exposure to revalue GM program cars as risk cars. Lastly, a GM bankruptcy could further reduce GM residual value, affecting both program and risk cars. According to management, a 5% reduction across all Hertz GM cars (program and risk) would require \$50 million in additional enhancement requirements. At March 31, 2009, Hertz had total liquidity of \$5.4 billion, up from \$4.8 billion at December 31, 2008. Liquidity at the end of 1Q09 comprised of \$0.6 billion of cash, \$1.2 billion of undrawn corporate availability and \$3.6 billion of fleet availability.
- **Hertz bought back \$150 million of notes in April.** Hertz bought back approximately \$83 million of the senior subordinated notes, \$50 million of the senior notes and about \$17 million of the euro notes. We estimate Hertz spent about \$100 million cash on the repurchases. While the company does not have any definite plans for more bond repurchases in the future, it said it has up to \$350 million of availability under its restricted payments basket. We estimate current Pro forma senior leverage of 4.1x, compared to 3.7x at December 31; and Pro forma gross senior subordinate leverage of 4.6x, compared to 4.3x at December 31.
- **Hertz believes it has sufficient room under its covenants.** For 2009, leverage covenant is 5.0x for end of both first and fourth quarters and 5.50x for end of both second and third quarters. For 2010 and 2011, leverage covenant is 4.75x for end of first and fourth quarters and 5.25x for end of second and third quarters. Per credit agreement, leverage is calculated less unrestricted cash of up to \$500 million.

Hertz
HTZ

FINANCIAL SUMMARY (\$ mn)

Fiscal year-end December	Actual Full year FYE-2007	Actual 1Q08 31-Mar-08	Actual 2Q08 30-Jun-08	Actual 3Q08 30-Sep-08	Actual 4Q08 31-Dec-08	Actual Full year FYE-2008	Actual 1Q09 31-Mar-09	Estimated 2Q09 30-Jun-09	Estimated 3Q09 30-Sep-09	Estimated 4Q09 31-Dec-09	Estimated Full year FYE-2009	Actual LTM 31-Mar-09
Income statement data												
Net sales	\$8,686	\$2,039	\$2,275	\$2,422	\$1,789	\$8,525	\$1,565	\$2,003	\$2,180	\$1,664	\$7,412	\$8,051
<i>y/y growth</i>	7.8%	6.1%	4.6%	-1.1%	-16.4%	-1.8%	-23.3%	-12.0%	-10.0%	-7.0%	-13.1%	
Operating expenses	\$4,644	\$1,172	\$1,279	\$1,352	\$1,128	\$4,930	\$955	\$1,160	\$1,216	\$938	\$4,270	\$4,714
Depreciation of revenue earning equipment	\$2,003	\$534	\$530	\$595	\$535	\$2,194	\$490	\$568	\$618	\$472	\$2,147	\$2,150
Gross profit	\$2,038	\$334	\$467	\$475	\$125	\$1,401	\$120	\$275	\$346	\$253	\$995	\$1,187
<i>Gross margin</i>	23.5%	16.4%	20.5%	19.6%	7.0%	16.4%	7.7%	13.8%	15.9%	15.2%	13.4%	14.7%
Selling, general and administrative	\$776	\$193	\$168	\$234	\$174	\$770	\$167	\$181	\$197	\$150	\$694	\$743
Total D&A (incl. fleet, equip and non-rental D&A)	\$2,243	\$593	\$593	\$654	\$593	\$2,433	\$543	\$628	\$685	\$522	\$2,378	\$2,384
Consolidated EBITDA	\$3,505	\$733	\$892	\$895	(\$624)	\$1,896	\$497	\$723	\$834	\$625	\$2,679	\$1,659
<i>% margin</i>	40.4%	36.0%	39.2%	37.0%	-34.9%	22.2%	31.7%	36.1%	38.3%	37.6%	36.1%	20.6%
Adjustments to Consolidated EBITDA												
Less: Car rental fleet interest	(\$428)	(\$94)	(\$108)	(\$120)	(\$129)	(\$451)	(\$79)	(\$100)	(\$106)	(\$99)	(\$384)	(\$436)
Less: Depreciation of vehicle	(\$1,695)	(\$447)	(\$448)	(\$504)	(\$444)	(\$1,844)	(\$391)	(\$456)	(\$501)	(\$369)	(\$1,716)	(\$1,788)
Plus: Non-cash expenses and charges	\$102	\$20	\$24	\$39	\$46	\$130	\$26	\$25	\$25	\$25	\$100	\$136
Plus: Non-recurring gains or losses	\$77	\$28	\$25	\$83	\$1,272	\$1,407	\$42	\$0	\$0	\$0	\$42	\$1,422
Less: Other (minority interest, sponsor fee)	(\$20)	(\$5)	(\$6)	(\$6)	(\$5)	(\$21)	(\$3)	(\$3)	(\$3)	(\$3)	(\$12)	(\$19)
Adj. Corporate EBITDA	\$1,542	\$235	\$378	\$387	\$117	\$1,117	\$92	\$189	\$250	\$179	\$709	\$974
<i>EBITDA Margin</i>	17.7%	11.5%	16.6%	16.0%	6.5%	13.1%	5.9%	9.4%	11.5%	10.8%	9.6%	12.1%
Less: Non-fleet D&A	(\$548)	(\$146)	(\$145)	(\$150)	(\$149)	(\$590)	(\$152)	(\$172)	(\$185)	(\$153)	(\$662)	(\$596)
Less: Non-fleet interest	(\$448)	(\$102)	(\$98)	(\$95)	(\$100)	(\$395)	(\$84)	(\$75)	(\$74)	(\$74)	(\$307)	(\$376)
adj. EBT	\$546	(\$13)	\$136	\$142	(\$133)	\$133	(\$144)	(\$58)	(\$9)	(\$48)	(\$260)	\$1
Income tax provision	\$191	(\$4)	\$46	\$48	(\$45)	\$45	(\$53)	(\$22)	(\$3)	(\$18)	(\$96)	(\$4)
adj. Net income	\$355	(\$8)	\$90	\$94	(\$87)	\$88	(\$91)	(\$37)	(\$6)	(\$30)	(\$164)	\$5

Free cash flow

Consolidated EBITDA	\$2,679
Less: Car rental fleet interest	(\$384)
Less: Depreciation of vehicle	(\$1,716)
Add: adjustments	\$130
Adj. Corporate EBITDA	\$709
-Cash Corporate Interest Expense	(\$280)
-Cash taxes	(\$30)
-Working capital and other cash use	(\$100)
<i>Operating cash flow</i>	\$299
-Capital Expenditures HERC, net	\$250
-Capital Expenditures non-fleet, net	(\$80)
Total CAPEX	\$170
-Equity requirement for vehicle facilities	(\$50)
<i>Free cash flow</i>	\$419

FCF/Total Debt

9%

Source: J.P. Morgan and Company Reports

Hertz

FINANCIAL SUMMARY (\$ mn)

	Actual Full year FYE-2007	Actual Full year FYE-2008	Estimated Full year FYE-2009	Pro forma LTM 31-Mar-09
Balance Sheet Data				
Cash & Cash Equivalents	\$730	\$594	\$457	\$457
Secured & Bank Debt	\$1,730	\$1,563	\$1,145	\$1,476
Total Debt	\$4,973	\$4,748	\$4,180	\$4,510
Fleet Debt	\$6,987	\$6,237	\$5,592	\$5,032
Consolidated Debt	\$11,960	\$10,986	\$9,771	\$9,543
Credit Statistics				
EBITDA / Interest Expense	3.4x	2.8x	2.3x	2.6x
EBITDA - CapEx / Interest Expense	2.0x	3.0x	2.9x	3.2x
Secured & Bank debt/EBITDA	1.1x	1.4x	1.6x	1.5x
Senior debt/EBITDA	2.8x	3.7x	5.2x	4.1x
Total Debt/EBITDA*	3.2x	4.3x	5.9x	4.6x
Net Debt/EBITDA*	2.8x	3.7x	5.2x	4.2x
Consolidated debt/consolidated EBITDA	3.0x	3.0x	3.1x	2.7x

Source: J.P. Morgan and Company Reports

*Note: Leverage excludes letters of credit.

CAPITALIZATION

(\$ mn)	Est. Pro forma 31-Mar-09	% total
Cash & Cash Equivalents	\$457	
\$1.4 bln term loan due Dec 2012 (L+175bp)	\$1,256	12%
\$1.8 bln ABS revolver due Feb 2012 (L+175bp)	\$0	0%
\$275 mln Fleet financing facility due 2011 (L+125bp)	\$159	1%
Foreign Short term bank borrowings	\$55	1%
Other Foreign Sub debt	\$6	0%
Total senior secured debt	\$1,476	14%
8.875% senior notes due 2014	\$1,750	16%
7.875% senior euro notes due 2014	\$296	3%
Promissory Notes (due 2008-2028, avg rate 7.1%)	\$461	4%
Notes payable	\$10	0%
Total senior debt	\$3,993	37%
10.5% sr. sub notes due 2016	\$518	5%
Total debt - corporate	\$4,510	42%
US Fleet debt	\$3,680	34%
International Fleet debt	\$614	6%
International ABS Fleet financing facility	\$444	4%
Brazilian credit facility	\$54	0%
Canadian fleet financing facility	\$73	1%
Belgian revolving credit facility	\$30	0%
UK leverage financing	\$139	1%
Total debt - vehicle programs	\$5,032	46%
Consolidated debt - corporate + vehicle	\$9,543	88%
Shareholders' Equity	\$1,308	12%
Total capitalization	\$10,851	100%

Note: Hertz repurchased \$150mn of notes in April 2009 for an estimated \$100mn in cash.

Source: J.P. Morgan and Company Reports

MARKET VALUATION

(\$ mn)	29-Apr-09
Share price	\$6.67
Number of shares (\$ mn)	323.4
Market value of equity	\$2,157
Enterprise value (corporate debt only)	\$6,211
Enterprise value/LTM corporate EBITDA	6.4x
Enterprise value/2009E corporate EBITDA	8.8x

Source: J.P. Morgan and Company Reports

LIQUIDITY - Corporate

(\$ mn)	Estimated 31-Mar-09
Cash & Cash Equivalents	\$457
LC Facility due Dec 2012	\$250
LC usage	(\$226)
Availability - LC facility	\$24
Senior ABL capacity	\$1,785
Credit usage	\$0
Letters of credit	(\$585)
Senior ABL availability	\$1,200
Total liquidity - corporate	\$1,680

LIQUIDITY - Fleet

(\$ mn)	Estimated 31-Mar-09
U.S. Fleet Debt Facility ¹	\$2,275
Outstanding	(\$498)
Remaining capacity	\$1,777
International Fleet Debt Facilities	\$1,565
Outstanding ²	(\$900)
Remaining capacity	\$665
International ABS Fleet Financing facility	\$1,105
Outstanding	(\$444)
Remaining capacity	\$661
Fleet financing facility	\$275
Outstanding	(\$159)
Remaining capacity	\$116
Brazilian fleet financing facility	\$56
Outstanding	(\$54)
Remaining capacity	\$2
Canadian fleet financing facility	\$328
Outstanding	(\$73)
Remaining capacity	\$255
Belgian Fleet Financing Facility	\$38
Outstanding	(\$30)
Remaining capacity	\$8
UK fleet financing facility	\$256
Outstanding	(\$139)
Remaining capacity	\$117
Total liquidity - fleet	\$3,600

Source: J.P. Morgan and Company Reports

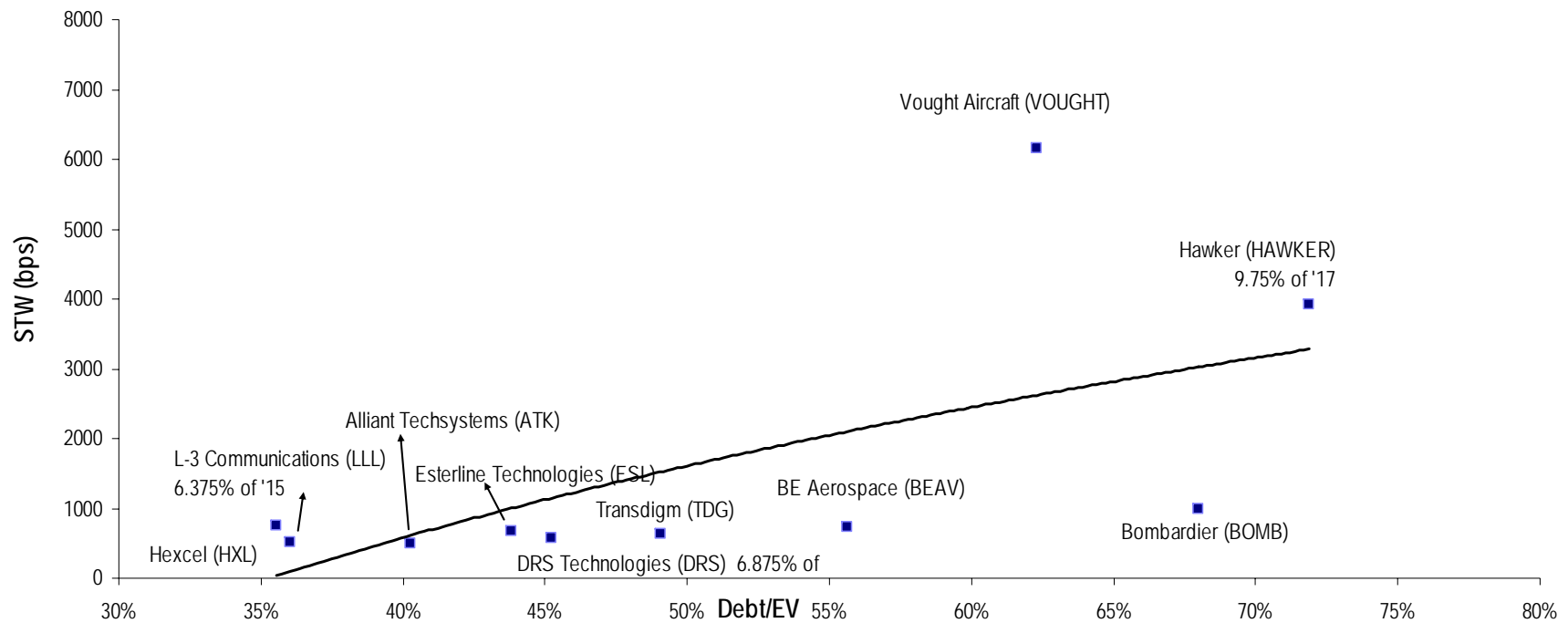
1. Includes additional \$825 million from facility completed in September.

DEBT AMORTIZATION SCHEDULE

(\$ mn)	Actual Corporate	Actual Fleet
2009	\$12	\$57
3009	\$3	\$125
4009	\$7	\$375
Total 2009	\$22	\$557
1010	\$5	\$250
2010	\$52	\$437
3010	\$3	\$1,324
4010	\$3	\$2,253
Total 2010	\$63	\$4,264

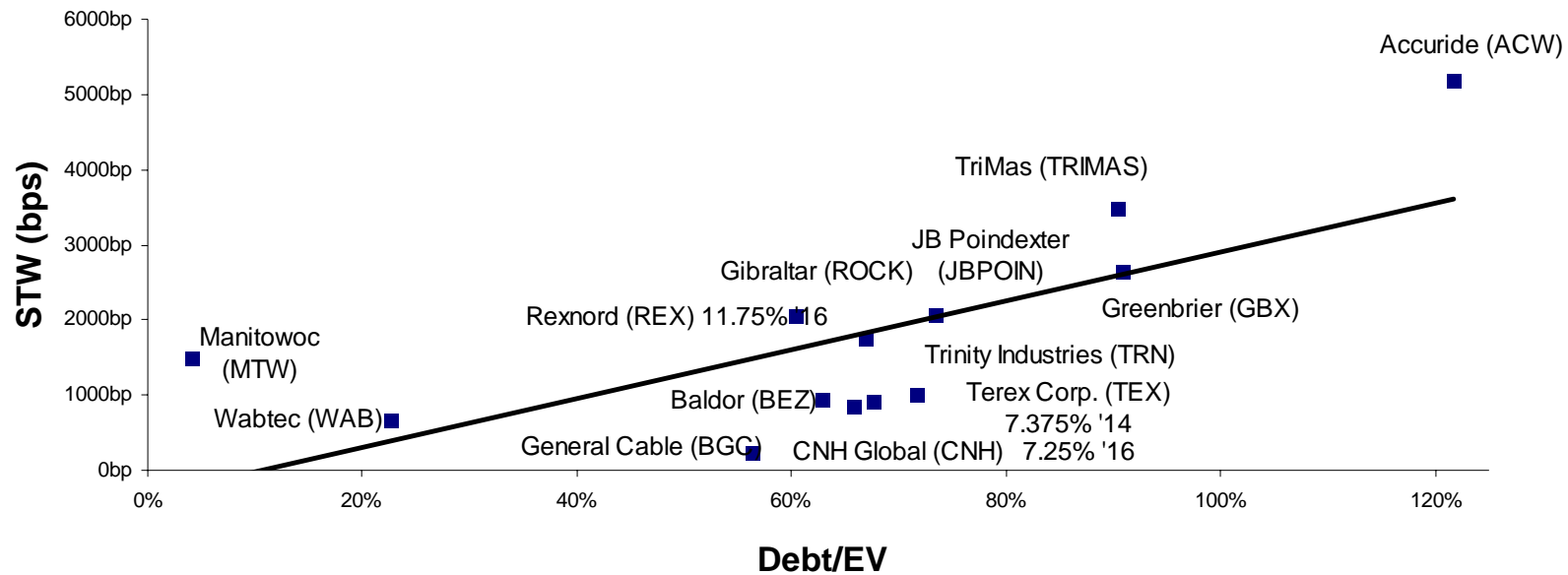
Source: J.P. Morgan and Company Reports

Aerospace and defense valuation comparison



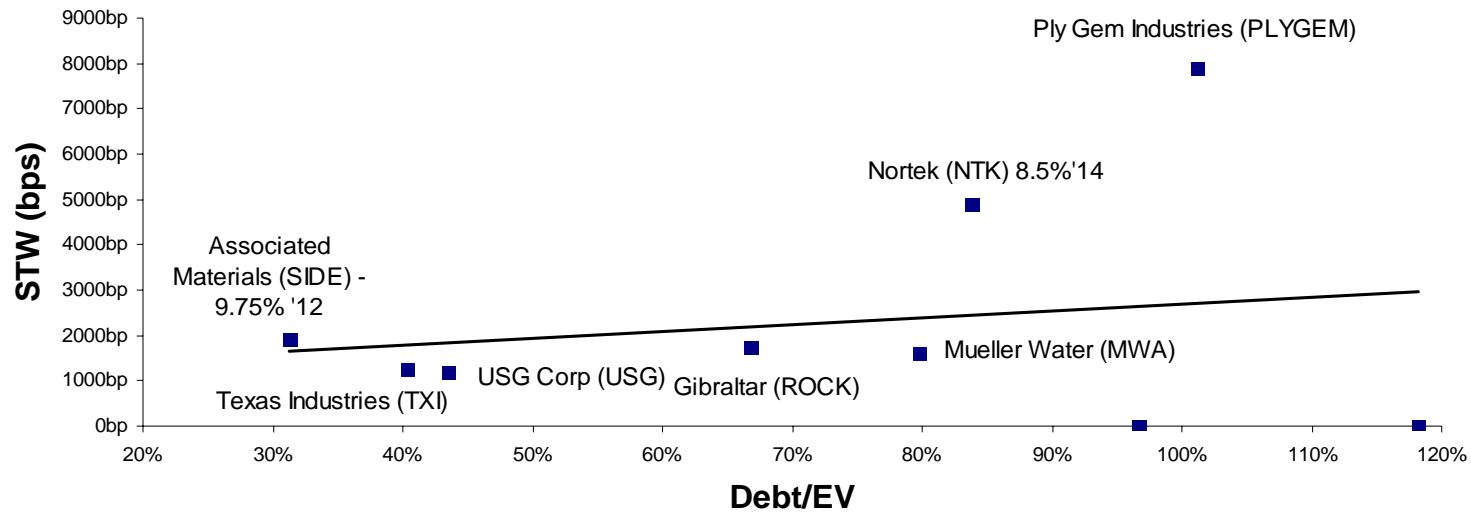
Pricing as of 4/22/09. Source: J.P. Morgan

Industrials valuation comparison



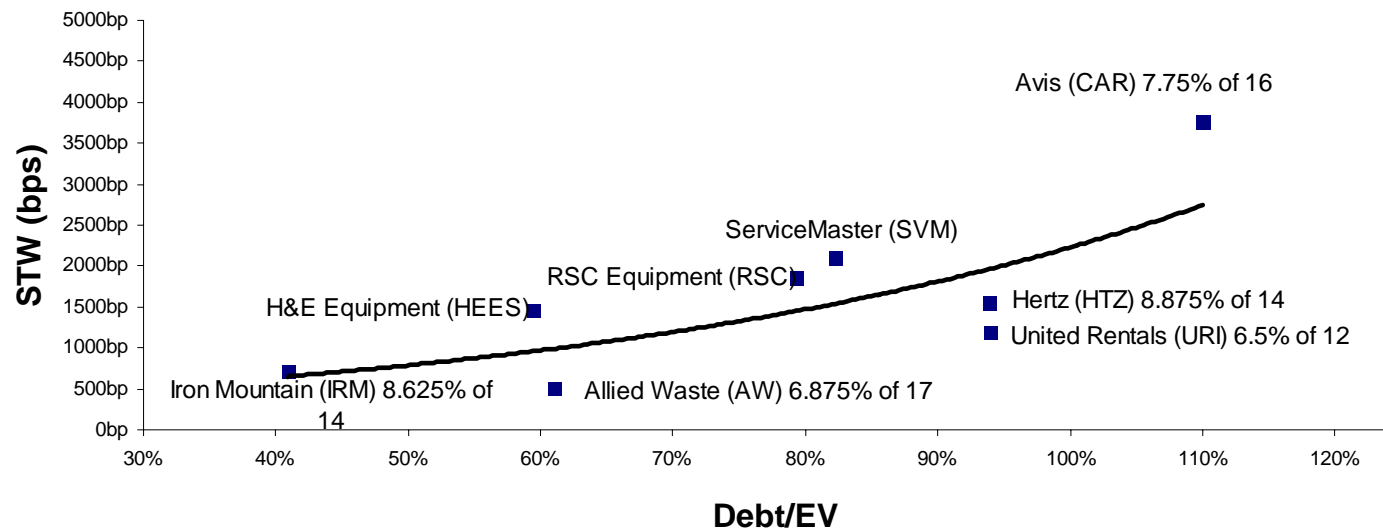
Pricing as of 4/22/09. Source: J.P. Morgan

Building materials valuation comparison



Pricing as of 4/22/09. Source: J.P. Morgan

Services valuation comparison



Pricing as of 4/22/09. Source: J.P. Morgan

Relative Value: Aerospace and defense

Aerospace/Defense Relative Values

Date: April 22, 2009				Ratings	Amount	Recent Quotes				Next Call Data		LTM		Debt/	Sr. Sec./	Net Debt/	EBITDA/	Total Debt/	TEV/	Equity
Coupon	Description	Rec	Maturity	Moody's S&P	Out. (\$ mm)	Bid	Ytw	Spread	YTW Date	Date	Price	EBITDA	Int. Exp	EBITDA	EBITDA	LTM EBITDA	Int. Exp	TEV	LTM EBITDA	Mkt Cap
Alion Science (ALISCI)																				
10.250%	Sr Nts	NR	1-Feb-15	B3/CCC+	\$250.0	20.88	60.17%	5812bp	1-Feb-15	1-Feb-11	105.13	\$76	\$32	6.7x	3.0x	6.7x	2.4x	na	na	na
Alliant Techsystems (ATK)																				
6.750%	Sr Sub Nts	Hold	1-Apr-16	B1/BB-	\$400.0	97.00	7.31%	502bp	1-Apr-16	1-Apr-11	103.38	\$565	\$67	2.6x	0.5x	2.3x	8.5x	40%	6.4x	\$2,320.0
BE Aerospace (BEAV)¹																				
8.500%	Sr Nts	NR	1-Jul-18	Ba3/BB+	\$600.0	90.25	10.15%	739bp	1-Jul-18	13-Jul-13	104.25	\$395	\$78	2.8x	1.2x	2.4x	5.1x	56%	5.1x	\$1,064.0
Bombardier (BOMB)																				
6.750%	Sr Nts	NR	1-May-12	Ba2/BB+	\$550.0	88.50	11.37%	1010bp	1-May-12	nc	nc	\$1,966	\$408	2.0x	0.0x	0.2x	4.8x	68%	2.9x	\$5,238.0
7.450%	Sr Nts	NR	1-May-34	Ba2/BB+	\$250.0	69.00	11.15%	757bp	1-May-34	nc	nc	\$1,966	\$408	2.0x	0.0x	0.2x	4.8x	68%	2.9x	\$5,238.0
6.300%	Sr Nts	NR	1-May-14	Ba2/BB+	\$500.0	81.25	11.30%	941bp	1-May-14	nc	nc	\$1,966	\$408	2.0x	0.0x	0.2x	4.8x	68%	2.9x	\$5,238.0
8.000%	Sr Nts	NR	15-Nov-14	Ba2/BB+	\$385.0	84.75	11.82%	982bp	15-Nov-14	nc	nc	\$1,966	\$408	2.0x	0.0x	0.2x	4.8x	68%	2.9x	\$5,238.0
DRS Technologies (DRS)																				
6.625%	Sr Nts	Hold	1-Feb-16	A3/BBB	\$350.0	100.05	6.61%	479bp	1-Feb-16	1-Feb-11	103.31	\$451	\$114	1.8x	0.3x	1.6x	4.0x	45%	8.0x	na
6.875%	Sr Sub Nts	Hold	1-Nov-13	Baa1/BBB-	\$550.0	97.98	7.41%	567bp	1-Nov-13	1-Nov-09	102.29	\$451	\$114	3.6x	0.3x	3.4x	4.0x	45%	8.0x	na
7.625%	Sr Sub Nts	Hold	1-Feb-18	Baa1/BBB-	\$250.0	99.42	7.71%	504bp	1-Feb-18	1-Feb-11	103.81	\$451	\$114	3.6x	0.3x	3.4x	4.0x	45%	8.0x	na
DynCorp (DYNCRP)																				
9.500%	Sr Sub Nts	NR	15-Feb-13	B2/B	\$417.0	97.25	10.38%	887bp	15-Feb-13	15-Feb-10	102.38	\$207	\$55	3.3x	2.0x	2.2x	3.8x	50%	5.9x	\$748.6
Esterline Technologies (ESL)¹																				
7.750%	Sr Sub Nts	Hold	15-Jun-13	B1/B+	\$175.0	98.00	8.33%	671bp	15-Jun-13	15-Jun-09	102.58	\$219	\$33	2.3x	0.5x	2.0x	6.7x	44%	5.3x	\$732.0
Hawker Beechcraft (HAWKER)																				
8.500%	Sr Nts	Hold	1-Apr-15	Caa3/CCC	\$400.0	35.50	34.94%	3286bp	1-Apr-15	1-Apr-11	104.25	\$339	\$197	6.2x	3.8x	5.0x	1.7x	72%	9.0x	na
9.750%	Sr Sub Nts	Hold	1-Apr-17	Cu/CCC	\$300.0	25.50	43.90%	4139bp	1-Apr-17	1-Apr-12	104.88	\$339	\$197	7.4x	3.8x	6.2x	1.7x	82%	9.0x	na
9.625%	Sr Nts	Hold	1-Apr-15	Caa3/CCC	\$400.0	19.00	41.28%	3920bp	1-Apr-15	1-Apr-11	104.44	\$339	\$197	6.2x	3.8x	5.0x	1.7x	72%	9.0x	na
Hexcel (HXL)																				
6.750%	Sr Sub Nts	Hold	1-Feb-15	B1/B+	\$225.0	88.00	9.50%	745bp	1-Feb-15	1-Feb-10	103.38	\$189	\$20	2.1x	0.9x	1.8x	9.3x	36%	5.9x	\$767.0
L-3 Communications (LLL)																				
7.625%	Sr Sub Nts	Hold	15-Jun-12	Ba3/BB+	\$750.0	100.50	7.15%	659bp	15-Jun-12	15-Jun-09	101.27	\$1,791	\$243	2.5x	0.4x	2.1x	6.7x	36%	7.0x	\$8,780.1
6.125%	Sr Sub Nts	Hold	15-Jul-13	Ba3/BB+	\$400.0	96.00	7.24%	559bp	15-Jul-13	15-Jul-09	102.04	\$1,791	\$243	2.5x	0.4x	2.1x	6.7x	36%	7.0x	\$8,780.1
6.125%	Sr Sub Nts	Hold	15-Jan-14	Ba3/BB+	\$400.0	95.00	7.40%	559bp	15-Jan-14	15-Jan-10	102.04	\$1,791	\$243	2.5x	0.4x	2.1x	6.7x	36%	7.0x	\$8,780.1
5.875%	Sr Sub Nts	Hold	15-Jan-15	Ba3/BB+	\$650.0	92.25	7.57%	553bp	15-Jan-15	15-Jan-10	102.94	\$1,791	\$243	2.5x	0.4x	2.1x	6.7x	36%	7.0x	\$8,780.1
6.375%	Sr Sub Nts	Hold	15-Oct-15	Ba3/BB+	\$1,000.0	95.00	7.36%	516bp	15-Oct-15	15-Oct-10	103.19	\$1,791	\$243	2.5x	0.4x	2.1x	6.7x	36%	7.0x	\$8,780.1
Moog (MOG)																				
6.250%	Sr Sub Nts	NR	15-Jan-15	Ba3/BB-	\$200.0	92.75	7.84%	581bp	15-Jan-15	15-Jan-10	103.13	\$261	\$38	2.7x	1.2x	2.3x	6.9x	45%	6.1x	\$996.0
Sequa (SQA)[*]																				
11.750%	Sr Nts	NR	1-Dec-15	Caa2/B-	\$500.0	32.00	43.23%	4101bp	1-Dec-15	1-Dec-11	105.88	\$323	\$162	7.2x	4.1x	6.8x	1.9x	na	na	na
13.500%	Sr Nts	NR	1-Dec-15	Caa2/B-	\$211.4	26.00	35.51%	3328bp	1-Dec-15	1-Dec-11	106.75	\$323	\$162	7.2x	4.1x	6.8x	1.9x	na	na	na
Transdigm (TRADIG)²																				
7.750%	Sr Sub Nts	Hold	15-Jul-14	B3/B-	\$575.0	97.50	8.35%	641bp	15-Jul-14	15-Jul-09	105.81	\$349	\$90	3.8x	2.2x	3.4x	3.5x	49%	7.9x	\$1,553.0
Vought Aircraft (VOUGHT)																				
8.000%	Sr Nts	NR	15-Jul-11	Caa1/CCC	\$270.0	38.75	62.56%	6154bp	15-Jul-11	15-Jul-09	100.00	\$175	\$63	5.0x	3.4x	4.5x	2.8x	62%	8.0x	na

Source: J.P. Morgan and company reports.

Note 1: BEAV pro forma for HCS acquisition.

Note 2: ESL figures Pro Forma for CMC acquisition.

Note 3: Transdigm numbers based on PF estimates for ATI acquisition.

Relative Value: Industrials

Industrials Relative Values

Date: April 22, 2009		Ratings	Amount	Recent Quotes				Next Call Data		LTM		Debt/	Net Debt/	Sr. Sec./	EBITDA/	Total Debt/	TEV/	Equity	
Coupon	Description	Rec	Moody's S&P	Out. (\$ mn)	Bid	Ytw	Spread	YTW Date	Date	Price	EBITDA	Int. Exp	EBITDA	LTM EBITDA	Int. Exp	TEV	LTM EBITDA	Mkt Cap	
Accuride (ACW)																			
8.500%	Sr Sub Nts	Hold	Caa2/CCC	\$275.0	21.00	53.96%	5191bp	1-Feb-15	1-Feb-10	104.25	\$50	\$49	13.1x	10.6x	7.6x	1.0x	122%	10.7x	\$8.0
American Railcar (ARID)																			
7.500%	Sr Nts	NR	B1/BB-	\$275.0	78.00	13.88%	1204bp	1-Mar-14	1-Mar-11	103.75	\$78	\$17	3.5x	0.0x	0.0x	4.6x	192%	1.8x	\$162
Baldor Electric (BEZ)¹																			
8.625%	Sr Nts	Sell	B3/B	\$550.0	84.00	11.81%	934bp	15-Feb-17	15-Feb-12	104.31	\$350	\$102	3.8x	3.8x	2.2x	3.4x	63%	6.0x	\$801.0
Blount (BLT)																			
8.875%	Sr Sub Nts	NR	B2/B	\$175.0	95.50	10.53%	918bp	1-Aug-12	1-Aug-09	102.22	\$116	\$33	2.8x	2.3x	1.8x	3.5x	64%	4.4x	\$241.0
CNH Global (CNH)²																			
6.000%	Sr Nts	Buy	Ba3/BB+	\$500.0	99.38	12.39%	1237bp	1-Jun-09	nc	nc	\$1,300	\$362	3.5x	2.5x	2.5x	3.6x	66%	5.3x	\$3,577.0
7.125%	Sr Nts	Buy	Ba3/BB+	\$500.0	82.00	12.14%	1030bp	1-Mar-14	1-Mar-10	103.56	\$1,300	\$362	3.5x	2.5x	2.5x	3.6x	66%	5.3x	\$3,577.0
7.250%	Nts	Buy	Ba3/BB+	\$300.0	83.50	10.76%	851bp	15-Jan-16	nc	nc	\$1,300	\$362	3.5x	2.5x	2.5x	3.6x	66%	5.3x	\$3,577.0
Columbus McKinnon (CMCO)																			
8.875%	Sr Sub Nts	NR	B1/B+	\$136.0	98.25	9.36%	762bp	1-Nov-13	1-Nov-09	104.44	\$81	\$15	1.7x	1.4x	0.3x	0.2x	42%	4.0x	\$205.3
Commercial Vehicle Group (CVGI)																			
8.000%	Sr Nts	NR	Caa3/CCC+	\$150.0	29.00	49.88%	4825bp	1-Jul-13	1-Jul-09	104.00	\$29	\$14	5.7x	5.4x	0.2x	2.0x	94%	6.0x	\$17.4
ESCO Corp. (ESCO)																			
8.625%	Sr Nts	NR	B2/B	\$200.0	78.00	15.44%	1366bp	15-Dec-13	15-Dec-10	104.31	\$95	\$26	3.2x	2.8x	0.3x	3.7x	na	na	na
General Cable (BGC)³																			
7.125%	Sr Nts	Hold	B1/B+	\$200.0	85.00	9.90%	740bp	1-Apr-17	1-Apr-12	103.56	\$519	\$68	2.8x	2.2x	0.4x	7.6x	56%	4.0x	\$1,268.0
Gibraltar (ROCK)																			
8.000%	Sr Sub Nts	Hold	B3/B-	\$204.0	57.50	19.81%	1759bp	1-Dec-15	1-Dec-10	104.00	\$120	\$28	3.0x	2.9x	1.3x	4.3x	67%	4.4x	\$188.3
Greenbrier Companies (GBX)⁴																			
8.375%	Sr Nts	Sell	Caa1/CCC	\$235.0	43.25	28.63%	2652bp	15-May-15	15-May-10	104.19	\$87	\$40	7.3x	6.3x	3.2x	2.2x	91%	7.5x	\$91.1
Interline Brands (IBI)																			
8.125%	Sr Sub Nts	NR	B3/B+	\$200.0	94.50	9.50%	758bp	15-Jun-14	15-Jun-10	104.06	\$106	\$29	3.8x	3.2x	1.9x	3.7x	59%	6.4x	\$340.0
Itron (ITRI)																			
7.750%	Sr Sub Nts	NR	B3/B-	\$125.0	89.50	11.96%	1067bp	15-May-12	15-May-09	101.94	\$284	\$90	4.5x	3.7x	0.0x	3.2x	44%	9.5x	\$1,659.0
JB Poindexter (JBPOIN)⁵																			
8.750%	Sr Nts	Buy	Caa1/B	\$200.0	60.50	22.46%	2061bp	15-Mar-14	15-Mar-10	102.92	\$47	\$18	4.5x	3.9x	0.2x	2.6x	73%	6.0x	na
Milacron (MZ)																			
11.500%	Sr Sec Nts	NR	Ca/D	\$225.0	23.00	118.41%	0bp	15-May-11	nc	nc	\$45	\$32	6.5x	5.7x	1.0x	1.4x	75%	8.6x	\$0.1
Mueller Water (MWA)																			
7.375%	Sr Sub Nts	NR	Caa1/B	\$425.0	53.50	18.76%	1622bp	1-Jun-17	1-Jun-12	103.69	\$258	\$72	4.2x	3.5x	2.6x	3.6x	80%	5.3x	\$429.0
Park Ohio Industries (PKOH)																			
8.375%	Sr Sub Nts	NR	B3/CCC+	\$210.0	43.13	30.03%	2803bp	15-Nov-14	15-Nov-09	104.19	\$75	\$28	5.1x	4.7x	2.3x	2.7x	94%	5.3x	\$40.5
Polypore (PPO)																			
8.750%	Sr Sub Nts	NR	B3/B-	\$225.0	76.00	19.56%	1828bp	15-May-12	15-May-09	102.19	\$176	\$60	4.6x	4.1x	1.9x	2.9x	78%	5.8x	\$306.0
Rexnord (REX)⁶																			
9.500%	Sr Nts	Hold	Caa1/B-	\$795.0	80.50	14.97%	1303bp	1-Aug-14	1-Aug-10	104.75	\$381	\$182	4.6x	4.0x	2.1x	2.1x	52%	9.0x	na
8.875%	Sr Nts	Hold	Caa3/B-	\$150.0	70.00	15.94%	1356bp	1-Sep-16	1-Aug-11	104.44	\$381	\$182	4.6x	4.0x	2.1x	2.1x	52%	9.0x	na
11.750%	Sr Sub Nts	Hold	Caa2/CCC+	\$300.0	61.50	22.83%	2046bp	1-Aug-16	1-Aug-11	105.88	\$381	\$182	5.4x	4.9x	2.1x	2.1x	60%	9.0x	na
Sensus Metering (SENSUS)																			
8.625%	Sr Sub Nts	NR	B3/B-	\$275.0	84.75	13.11%	1134bp	15-Dec-13	15-Dec-09	102.88	\$83	\$42	5.7x	5.2x	3.1x	2.0x	na	na	na
SPX Corp (SPW)																			
7.625%	Sr Nts	NR	Ba2/BB	\$500.0	98.00	8.07%	605bp	15-Dec-14	nc	nc	\$831	\$113	1.6x	1.2x	1.0x	7.7x	46%	3.5x	\$2,034.0
Terex Corp. (TEX)⁷																			
7.375%	Sr Sub Nts	Hold	Ba2/BB	\$300.0	87.00	10.97%	917bp	15-Jan-14	15-Jan-10	102.46	\$975	\$103	1.5x	1.0x	0.3x	9.5x	68%	2.2x	\$1,173.0
8.000%	Sr Sub Nts	Hold	B1/B+	\$800.0	79.75	11.83%	919bp	15-Nov-17	15-Nov-12	104.00	\$975	\$103	1.5x	1.0x	0.3x	9.5x	68%	2.2x	\$1,173.0
Thermadyne Holdings (THMD)																			
9.250%	Sr Sub Nts	NR	Caa1/CCC	\$175.0	65.50	21.05%	1923bp	1-Feb-14	1-Feb-10	103.08	\$56	\$27	3.6x	3.4x	0.5x	2.1x	63%	4.2x	\$43.0
TriMas (TRS)⁸																			
9.875%	Sr Sub Nts	NR	Caa1/B-	\$336.4	53.00	36.06%	3475bp	15-Jun-12	15-Jun-09	101.65	\$144	\$58	4.3x	4.3x	2.0x	2.5x	90%	4.7x	\$68.5
Trinity Industries (TRN)																			
6.500%	Sr Nts	Hold	Baa3/BB+	\$201.5	80.50	11.87%	1002bp	15-Mar-14	15-Mar-10	102.17	\$687	\$99	2.8x	2.5x	0.0x	6.9x	72%	3.9x	\$915.0
Wabtec (WAB)																			
6.875%	Sr Nts	Hold	Ba2/BB	\$150.0	95.25	8.21%	656bp	31-Jul-13	nc	nc	\$243	\$10	1.6x	1.0x	1.0x	22.0x	23%	7.0x	\$1,459.0

Source: J.P. Morgan and company reports.

1. Pro forma for acquisition of Dodge Reliance and related financing
2. Calculations exclude finance arm subsidiary, although Enterprise Value calculations are on a consolidated basis.
3. Pro forma for acquisitions.
4. Pro forma for acquisition of Meridian Rail.
5. Pro forma for acquisitions. Liquidity excludes option to increase revolver to \$50 mn total if not in default of credit agreement, potentially adding another \$20 mn to Total Liquidity.
6. Pro forma for acquisitions.
7. Pro forma for ASV acquisition.
8. Secured Debt includes off-balance sheet Accounts Receivable securitization.

Relative Value: Building Materials

Building Materials Relative Values

Date: April 22, 2009																				
Coupon	Description	Rec	Maturity	Ratings Moody's S&P	Amount Out. (\$ mn)	Recent Quotes				Next Call Data		LTM		Debt/ EBITDA	Net Debt/ LTM EBITDA	Sr. Sec./ EBITDA	EBITDA/ Int. Exp	Total Debt/ TEV	TEV/ LTM EBITDA	Equity Mkt Cap
						Bid	Ytw	Spread	YTW Date	Date	Price	EBITDA	Int. Exp							
Associated Materials (SIDE)																				
9.750%	Sr Sub Nts	NR	15-Apr-12	Caa1/CCC	\$165.0	77.25	20.33%	1907bp	15-Apr-12	15-Apr-10	100.00	\$107	\$28	2.5x	2.5x	1.1x	3.8x	31%	8.0x	na
00%/11.25	Sr Disc Nts	NR	1-Mar-14	Caa2/CCC-	\$446.0	32.00	49.06%	4722bp	1-Mar-14	1-Mar-10	103.75	\$107	\$69	6.2x	6.2x	1.1x	1.5x	78%	8.0x	na
Building Materials Corp. (GAFF)¹																				
7.750%	Sr Nts	NR	1-Aug-14	B3/B+	\$250.0	78.00	13.75%	1181bp	1-Aug-14	1-Aug-09	103.88	\$263	\$166	7.6x	7.1x	5.1x	1.6x	na	na	na
Dayton Superior Corp. (DSUP)																				
13.000%	Sr Sub Nts	NR	15-Jun-09	Caa3/CC	\$154.7	69.50	250.00%	0bp	15-Jun-09	nc	nc	\$70	\$50	5.4x	5.4x	3.0x	1.4x	97%	5.5x	\$10.5
Gibraltar (ROCK)²																				
8.000%	Sr Sub Nts	Hold	1-Dec-15	B3/B-	\$204.0	57.50	19.81%	1759bp	1-Dec-15	1-Dec-10	104.00	\$120	\$28	3.0x	2.9x	1.3x	4.3x	67%	4.4x	\$188.3
Interline Brands (IBI)																				
8.125%	Sr Sub Nts	NR	15-Jun-14	B3/B+	\$200.0	94.50	9.50%	758bp	1-Nov-13	15-Jun-10	104.06	\$106	\$29	3.8x	3.2x	1.9x	3.7x	59%	6.4x	\$340.0
MAAX (MAAXCN)																				
9.750%	Sr Sub Nts	NR	15-Jun-12	Ca/D	\$150.0	0.50	250.00%	0bp	15-Jun-12	15-Jun-09	102.44	\$29	\$55	12.3x	12.2x	7.0x	0.6x	na	na	na
Masonite International (MHM)³																				
11.000%	Sr Sub Nts	NR	6-Apr-15	NR/NR	\$412.0	1.00	250.00%	0bp	6-Apr-15	6-Apr-10	105.50	\$203	\$231	9.5x	8.3x	5.7x	0.9x	118%	8.0x	na
Mueller Water (MWA)																				
7.375%	Sr Sub Nts	NR	1-Jun-17	Caa1/B	\$425.0	53.50	18.76%	1622bp	1-Jun-17	1-Jun-12	103.69	\$258	\$72	4.2x	3.5x	2.6x	3.6x	80%	5.3x	\$429.0
Nortek (NTK)																				
8.500%	Sr Sub Nts	NR	1-Sep-14	Caa3/CC	\$625.0	24.00	50.87%	4890bp	1-Sep-14	1-Sep-09	104.25	\$212	\$120	6.7x	6.4x	3.5x	1.8x	84%	8.0x	na
00%/10.75	Sr Disc Nts	NR	1-Mar-14	Ca/C	\$403.0	12.00	88.32%	8648bp	1-Mar-14	1-Sep-09	105.38	\$212	\$263	9.5x	9.2x	3.5x	0.8x	119%	8.0x	na
Ply Gem Industries (PLYGEM)⁴																				
9.000%	Sr Sub Nts	NR	15-Feb-12	Caa2/CC	\$360.0	24.50	80.14%	7894bp	15-Feb-12	15-Feb-10	100.00	\$135	\$160	8.1x	7.7x	5.5x	0.8x	101%	8.0x	na
Texas Industries (TXI)																				
7.250%	Sr Nts	NR	15-Jul-13	B2/BB-	\$250.0	79.00	14.00%	1236bp	15-Jul-13	nc	nc	\$121	\$9	4.5x	4.2x	1.0x	14.2x	40%	11.1x	\$835.0
USG Corp (USG)																				
6.300%	Nts	NR	15-Nov-16	B1/B+	\$500.0	64.00	14.23%	1181bp	15-Nov-16	nc	nc	\$87	\$105	15.9x	13.8x	1.7x	0.8x	44%	36.6x	\$1,978.6
7.750%	Sr Nts	NR	15-Jan-18	B1/B+	\$500.0	69.00	14.01%	1135bp	15-Jan-18	nc	nc	\$87	\$80	15.9x	13.8x	1.7x	0.8x	44%	36.6x	\$1,978.6

Source: J.P. Morgan and company reports.

1. Pro forma for Elk acquisition.
2. Pro forma for acquisitions.
3. Leverage includes A/R securitizations.
4. Pro forma for Alcoa Home Exteriors acquisition, including synergies.

Note: For private companies we assume an EV/EBITDA multiple of 8x.

Relative Value: Services

Services Relative Values

Date: April 22, 2009				Ratings	Amount	Recent Quotes			Next Call Data		Sales	EBITDA	EBITDA/	Sr. Sec Debt/	Tot. Debt/	Net Debt/	Total	Mkt	TEV/
Coupon	Description	Bond Rating	Maturity	Moody's	Out. (\$ mn)	Bid	Ytw	Spread	Date	Price	Ltm	Ltm	Ltm	Ltm	Ltm	Ltm	Debt/TEV	Cap	EBITDA Ltm
Allied Waste (AW)																			
6.500%	Sr Nts	NR	15-Nov-10	Baa3/BBB	\$350.0	100.25	6.33%	558bp	nc	nc	\$6,168.0	\$1,740.5	4.0x	3.6x	3.7x	3.7x	61%	4225.0	6.1x
5.750%	Sr Sec Nts	NR	15-Feb-11	Baa3/BBB	\$400.0	99.75	5.89%	503bp	nc	nc	\$6,168.0	\$1,740.5	4.0x	3.6x	3.7x	3.7x	61%	4225.0	6.1x
7.375%	Sr Nts	NR	15-Apr-14	Baa3/BBB	\$400.0	99.50	7.50%	562bp	15-Apr-10	102.46	\$6,168.0	\$1,740.5	4.0x	3.6x	3.7x	3.7x	61%	4225.0	6.1x
6.375%	Sr Sec Nts	NR	15-Apr-11	Baa3/BBB	\$275.0	100.00	6.37%	543bp	nc	nc	\$6,168.0	\$1,740.5	4.0x	3.6x	3.7x	3.7x	61%	4225.0	6.1x
6.125%	Sr Sec Nts	NR	15-Feb-14	Baa3/BBB	\$425.0	96.00	7.12%	529bp	15-Feb-10	102.04	\$6,168.0	\$1,740.5	4.0x	3.6x	3.7x	3.7x	61%	4225.0	6.1x
7.875%	Sr Nts	NR	15-Apr-13	Baa3/BBB	\$450.0	101.50	7.04%	610bp	15-Apr-10	101.31	\$6,168.0	\$1,740.5	4.0x	3.6x	3.7x	3.7x	61%	4225.0	6.1x
7.250%	Sr Nts	NR	15-Mar-15	Baa3/BBB	\$600.0	97.50	7.79%	571bp	15-Mar-10	103.63	\$6,168.0	\$1,740.5	4.0x	3.6x	3.7x	3.7x	61%	4225.0	6.1x
7.125%	Sr Sec Nts	NR	15-May-16	Baa3/BBB	\$600.0	96.50	7.78%	546bp	15-May-11	103.56	\$6,168.0	\$1,740.5	4.0x	3.6x	3.7x	3.7x	61%	4225.0	6.1x
6.875%	Sr Nts	NR	1-Jun-17	Baa3/BBB	\$750.0	95.00	7.72%	518bp	2-Jun-12	103.44	\$6,168.0	\$1,740.5	4.0x	3.6x	3.7x	3.7x	61%	4225.0	6.1x
9.250%	Debs	NR	1-May-21	Baa3/BBB	\$100.0	99.90	9.26%	624bp	nc	nc	\$6,168.0	\$1,740.5	4.0x	3.6x	3.8x	3.8x	61%	4225.0	6.1x
7.400%	Debs	NR	15-Sep-35	Baa3/BBB	\$400.0	88.01	8.55%	491bp	nc	nc	\$6,168.0	\$1,740.5	4.0x	3.6x	3.8x	3.8x	61%	4225.0	6.1x
Avis (CAR)¹																			
7.750%	Sr Nts	Hold	15-May-16	Caa1/CCC-	\$375.0	25.50	40.01%	3769bp	15-May-11	103.88	\$5,984.0	\$168.0	1.3x	4.7x	10.6x	9.1x	110%	102.6	3.6x
7.625%	Sr Nts	Hold	15-May-14	Caa1/CCC-	\$375.0	25.50	47.89%	4599bp	15-May-10	103.81	\$5,984.0	\$168.0	1.3x	4.7x	10.6x	9.1x	110%	102.6	3.6x
H&E Equipment Services (HEES)																			
8.375%	Sr Nts	NR	15-Jul-16	B3/BB-	\$250.0	65.00	16.95%	1460bp	15-Jul-11	104.19	\$1,069.0	\$246.7	6.7x	0.5x	1.3x	1.3x	59%	235.0	2.3x
Hertz (HTZ)²																			
7.875%	Sr Nts	Hold	1-Jan-14	B1/B+	\$225.0	58.00	22.97%	2064bp	1-Jan-10	103.84	\$8,525.0	\$1,117.0	2.8x	1.4x	3.7x	3.1x	94%	1992.0	4.0x
7.400%	Nts	Hold	1-Mar-11	B2/CCC+	\$120.9	70.00	29.62%	2874bp	nc	nc	\$8,525.0	\$1,117.0	2.8x	1.4x	3.7x	3.1x	94%	1992.0	4.0x
6.350%	Nts	Hold	15-Jun-10	B2/NR	\$50.0	80.00	28.12%	2757bp	nc	nc	\$8,525.0	\$1,117.0	2.8x	1.4x	3.7x	3.1x	94%	1992.0	4.0x
7.625%	Sr Nts	Hold	1-Jun-12	B2/CCC+	\$176.1	54.00	32.15%	3085bp	nc	nc	\$8,525.0	\$1,117.0	2.8x	1.4x	3.7x	3.1x	94%	1992.0	4.0x
7.000%	Sr Nts	Hold	15-Jan-28	B2/NR	\$27.6	31.00	23.39%	2008bp	nc	nc	\$8,525.0	\$1,117.0	2.8x	1.4x	3.7x	3.1x	94%	1992.0	4.0x
10.500%	Sr Sub Nts	Hold	1-Jan-16	B2/CCC+	\$600.0	67.50	19.36%	1712bp	1-Jan-11	105.25	\$8,525.0	\$1,117.0	2.8x	1.4x	4.3x	3.7x	94%	1992.0	4.0x
8.875%	Sr Nts	Hold	1-Jan-14	B1/CCC+	\$1,800.0	73.50	17.37%	1557bp	1-Jan-10	104.44	\$8,525.0	\$1,117.0	2.8x	1.4x	3.7x	3.1x	94%	1992.0	4.0x
Iron Mountain (IRM)																			
8.625%	Sr Sub Nts	NR	1-Apr-13	B2/B+	\$435.0	99.75	8.70%	714bp			\$3,029.6	\$771.0	3.2x	0.9x	4.2x	4.1x	41%	4966.7	10.3x
7.750%	Sr Sub Nts	NR	15-Jan-15	B2/B+	\$400.0	100.50	7.42%	660bp	15-Jan-10	101.93	\$3,029.6	\$771.0	3.2x	0.9x	4.2x	4.1x	41%	4966.7	10.3x
6.625%	Sr Sub Nts	NR	1-Jan-16	B2/B+	\$320.0	95.50	7.49%	525bp	1-Jul-09	102.21	\$3,029.6	\$771.0	3.2x	0.9x	4.2x	4.1x	41%	4966.7	10.3x
8.750%	Sr Sub Nts	NR	15-Jul-18	B2/B+	\$200.0	100.13	8.71%	678bp	15-Jul-11	104.38	\$3,029.6	\$771.0	3.2x	0.9x	4.2x	4.1x	41%	4966.7	10.3x
8.000%	Sr Sub Nts	NR	15-Jun-20	B2/B+	\$300.0	94.75	8.74%	576bp	15-Jun-13	104.00	\$3,029.6	\$771.0	3.2x	0.9x	4.2x	4.1x	41%	4966.7	10.3x
RSC Rental Equipment (RSC)³																			
9.500%	Sr Nts	NR	1-Dec-14	Caa1/B-	\$620.0	64.00	20.63%	1862bp	1-Dec-10	104.75	\$1,765.0	\$450.0	2.2x	4.0x	5.7x	5.7x	79%	674.0	4.2x
ServiceMaster (SVM)																			
10.750%	Sr Nts	Buy	15-Jul-15	B3/B-	\$1,150.0	60.00	23.19%	2105bp	15-Jul-11	105.38	\$3,311.0	\$520.0	1.5x	6.1x	9.3x	8.7x	82%	na	10.0x
United Rentals (URI)⁴																			
6.500%	Sr Nts	NR	15-Feb-12	B2/BB-	\$1,000.0	85.00	13.06%	1185bp	15-Feb-10	100.00	\$3,267.0	\$601.0	3.3x	1.7x	5.3x	5.2x	94%	292.0	3.5x
7.000%	Sr Sub Nts	NR	15-Feb-14	Caa1/B	\$375.0	59.25	20.81%	1898bp	15-Feb-10	102.33	\$3,267.0	\$601.0	3.3x	1.7x	5.3x	5.2x	94%	292.0	3.5x
7.750%	Sr Sub Nts	NR	15-Nov-13	Caa1/B	\$525.0	61.00	21.64%	1989bp	15-Nov-09	102.58	\$3,267.0	\$601.0	3.3x	1.7x	5.3x	5.2x	94%	292.0	3.5x

Source: J.P. Morgan and company reports

1. Debt includes LC's used to fund vehicle programs, and EBITDA does not add back rental car D&A
2. Debt includes LC's used to fund vehicle programs, and EBITDA does not add back rental car D&A
3. EBITDA does not add back rental equipment D&A
4. EBITDA does not add back rental equipment D&A

Bond universe: alphabetical list

High-yield Aerospace, Defense, Industrials & Business Services universe by alphabetical listing

April 28, 2009

Issuer	Rec rating	Description	Coupon	Maturity	Outstanding	Moody's	S&P	Price			YTW	STW	YTW Date	Weekly Total Return	YTD Total Return
								28-Apr-09	21-Apr-09	WW Change					
Accuride	Hold	Sr Sub Nts	8.500%	1-Feb-15	275	Caa2	CCC	21.00	21.50	(0.50)	53.96%	5,191bp	1-Feb-15	-3.88%	-25.1%
Alliance Laundry Systems	NR	Sr Sub Nts	8.500%	15-Jan-13	150	Caa1	CCC+	86.25	84.75	1.50	13.30%	1,181bp	15-Jan-13	0.08%	14.6%
Alliant Techsystems	Hold	Sr Sub Nts	6.750%	1-Apr-16	400	B1	BB-	97.00	96.00	1.00	7.31%	502bp	1-Apr-16	1.10%	9.9%
Associated Materials	NR	Sr Sub Nts	9.750%	15-Apr-12	165	Caa1	CCC	77.25	79.00	(1.75)	20.33%	1,907bp	15-Apr-12	-0.22%	1.9%
Associated Materials	NR	Sr Disc Nts	11.250%	1-Mar-14	446	Caa2	CCC-	32.00	32.00	-	49.06%	4,722bp	1-Mar-14	0.28%	-39.2%
Allied Waste North America	NR	Sec Nts	6.500%	15-Nov-10	350	Baa3	BBB	100.25	99.75	0.50	6.33%	558bp	15-Nov-10	0.05%	5.8%
Allied Waste North America	NR	Sr Sec Nts	5.750%	15-Feb-11	400	Baa3	BBB	99.75	99.50	0.25	5.89%	503bp	15-Feb-11	0.05%	8.1%
Allied Waste North America	NR	Sr Nts	7.375%	15-Apr-14	400	Baa3	BBB	99.50	95.50	4.00	7.50%	562bp	15-Apr-14	0.06%	7.6%
Allied Waste North America	NR	Sr Sec Nts	6.375%	15-Apr-11	275	Baa3	BBB	100.00	99.75	0.25	6.37%	543bp	15-Apr-11	0.05%	7.2%
Allied Waste North America	NR	Sr Sec Nts	6.125%	15-Feb-14	425	Baa3	BBB	96.00	94.75	1.25	7.12%	529bp	15-Feb-14	0.57%	8.0%
Allied Waste North America	NR	Sr Nts	7.875%	15-Apr-13	450	Baa3	BBB	101.50	101.00	0.50	7.04%	610bp	15-Apr-11	0.06%	9.2%
Allied Waste North America	NR	Sr Nts	7.250%	15-Mar-15	600	Baa3	BBB	97.50	95.25	2.25	7.79%	571bp	15-Mar-15	0.06%	7.1%
Allied Waste North America	NR	Sr Sec Nts	7.125%	15-May-16	600	Baa3	BBB	96.50	95.50	1.00	7.78%	546bp	15-May-16	0.06%	8.4%
Allied Waste North America	NR	Sr Nts	6.875%	1-Jun-17	750	Baa3	BBB	95.00	93.00	2.00	7.72%	518bp	1-Jun-17	0.06%	4.4%
Allied Waste Industries	NR	Debs	9.250%	1-May-21	100	Baa3	BBB	99.90	101.36	(1.46)	9.26%	624bp	1-May-21	-0.33%	3.9%
Allied Waste Industries	NR	Debs	7.400%	15-Sep-35	400	Baa3	BBB	88.01	88.72	(0.71)	8.55%	491bp	15-Sep-35	-0.90%	9.2%
Avis Budget Car Rental	Hold	Sr Nts	7.750%	15-May-16	375	Caa1	CCC-	25.50	26.00	(0.50)	40.01%	3,769bp	15-May-16	0.22%	-3.7%
Avis Budget Car Rental	Hold	Sr Nts	7.625%	15-May-14	375	Caa1	CCC-	25.50	27.00	(1.50)	47.89%	4,599bp	15-May-14	0.22%	-3.8%
Baldor Electric	Sell	Sr Nts	8.625%	15-Feb-17	550	B3	B	84.00	80.75	3.25	11.81%	934bp	15-Feb-17	0.67%	15.6%
BE Aerospace	NR	Sr Nts	8.500%	1-Jul-18	600	Baa3	BB+	90.25	87.00	3.25	10.15%	739bp	1-Jul-18	-0.73%	3.2%
Blount	NR	Sr Sub Nts	8.875%	1-Aug-12	175	B2	B	95.50	95.50	-	10.53%	918bp	1-Aug-12	-0.43%	6.0%
Bombardier	NR	Nts	6.750%	1-May-12	550	Ba2	BB+	88.50	86.50	2.00	11.37%	1,010bp	1-May-12	0.06%	2.0%
Bombardier	NR	Nts	6.300%	1-May-14	500	Ba2	BB+	81.25	79.00	2.25	11.30%	941bp	1-May-14	-0.23%	1.1%
Bombardier	NR	Nts	7.450%	1-May-34	250	Ba2	BB+	69.00	67.00	2.00	11.15%	757bp	1-May-34	0.09%	12.0%
Briggs & Stratton	NR	Sr Nts	8.875%	15-Mar-11	275	Baa3	BB-	100.00	99.00	1.00	8.88%	798bp	15-Mar-11	0.07%	10.3%
Briggs & Stratton	NR	Sr Nts	8.875%	15-Mar-11	275	Baa3	BB-	100.00	99.00	1.00	8.88%	798bp	15-Mar-11	0.07%	10.3%
Building Materials	NR	Sr Nts	7.750%	1-Aug-14	250	B3	B+	78.00	77.50	0.50	13.75%	1,181bp	1-Aug-14	2.00%	26.2%
Case	Buy	Nts	7.250%	15-Jan-16	300	Ba3	BB+	83.50	79.00	4.50	10.76%	851bp	15-Jan-16	0.07%	22.3%
Case New Holland	Buy	Sr Nts	6.000%	1-Jun-09	500	Baa3	BB+	99.38	100.00	(0.63)	12.39%	1,237bp	1-Jun-09	0.05%	4.3%
Case New Holland	Buy	Sr Nts	7.125%	1-Mar-14	500	Baa3	BB+	82.00	81.00	1.00	12.14%	1,030bp	1-Mar-14	0.07%	18.0%
Columbus McKinnon	NR	Sr Sub Nts	8.875%	1-Nov-13	136	B1	B+	98.25	98.00	0.25	9.36%	762bp	1-Nov-13	0.07%	19.8%
Communications & Power Industries	NR	Sr Sub Nts	8.000%	1-Feb-12	125	B3	B-	92.00	91.50	0.50	11.45%	1,026bp	1-Feb-12	0.07%	11.2%
DAE Aviation	NR	Sr Nts	11.250%	1-Aug-15	325	Caa3	CCC+	36.00	31.00	5.00	39.35%	3,719bp	1-Aug-15	0.24%	-3.3%
DRS Technologies	Hold	Sr Nts	6.625%	1-Feb-16	350	A3	BBB	100.05	101.15	(1.10)	6.61%	479bp	1-Feb-16	-0.26%	2.0%
DRS Technologies	Hold	Sr Sub Nts	6.875%	1-Nov-13	550	Baa1	BBB-	97.98	98.78	(0.80)	7.41%	567bp	1-Nov-13	-0.13%	0.6%
DRS Technologies	Hold	Sr Sub Nts	7.625%	1-Feb-18	250	Baa1	BBB-	99.42	100.71	(1.28)	7.71%	504bp	1-Feb-18	-0.31%	1.7%
DynCorp	NR	Sr Sub Nts	9.500%	15-Feb-13	417	B2	B	97.25	97.00	0.25	10.38%	887bp	15-Feb-13	0.59%	14.4%
Esterline Technologies	Hold	Sr Sub Nts	7.750%	15-Jun-13	175	B1	B+	98.00	96.00	2.00	8.33%	671bp	15-Jun-13	1.83%	15.3%
General Cable	Hold	Sr Nts	7.125%	1-Apr-17	200	B1	B+	85.00	85.00	-	9.90%	740bp	1-Apr-17	0.07%	31.2%
Gibraltar Industries Inc	Hold	Sr Sub Nts	8.000%	1-Dec-15	204	B3	B-	57.50	55.00	2.50	19.81%	1,759bp	1-Dec-15	-0.30%	7.0%
Greenbrier Companies	Sell	Sr Nts	8.375%	15-May-15	235	Caa1	CCC	43.25	39.13	4.13	28.63%	2,652bp	15-May-15	0.15%	-35.0%
Hawker Beechcraft	Hold	Sr Sub Nts	9.750%	1-Apr-17	300	Ca	CCC	25.50	19.00	6.50	43.90%	4,139bp	1-Apr-17	6.42%	5.1%
Hawker Beechcraft	Hold	Sr Nts	8.500%	1-Apr-15	400	Caa3	CCC	35.50	28.00	7.50	34.94%	3,286bp	1-Apr-15	1.61%	-6.7%
Hawker Beechcraft	Hold	Sr Nts	9.625%	1-Apr-15	400	Caa3	CCC	19.00	12.50	6.50	41.28%	3,920bp	1-Apr-15	-4.40%	-41.4%
Hoxcel	Hold	Sr Sub Nts	6.750%	1-Feb-15	225	B1	B+	88.00	86.00	2.00	9.50%	745bp	1-Feb-15	0.06%	17.8%
H&E Equipment	NR	Sr Nts	8.375%	15-Jul-16	250	B3	BB-	65.00	65.00	-	16.95%	1,460bp	15-Jul-16	0.10%	25.6%
Hertz Corp	Hold	Sr Nts	7.875%	1-Jan-14	225	B1	B+	58.00	51.00	7.00	22.97%	2,064bp	1-Jan-14	0.11%	82.8%
Hertz	Hold	Sr Nts	7.625%	1-Jun-12	176	B2	CCC+	54.00	51.00	3.00	32.15%	3,085bp	1-Jun-12	0.11%	15.9%
Hertz	Hold	Nts	6.350%	15-Jun-10	50	B2	NR	80.00	79.00	1.00	28.12%	2,757bp	15-Jun-10	0.06%	3.1%
Hertz	Hold	Sr Nts	7.000%	15-Jan-28	28	B2	NR	31.00	30.00	1.00	23.39%	2,008bp	15-Jan-28	0.18%	-8.4%

Source: J.P. Morgan

High-yield Aerospace, Defense, Industrials & Business Services universe by alphabetical listing (continued)

Issuer	Rec rating	Description	Coupon	Maturity	Outstanding	Moody's	S&P	Price			YTW	STW	YTW Date	Weekly Total Return	YTD Total Return
								28-Apr-09	21-Apr-09	WW Change					
Hertz	Hold	Nts	7.400%	1-Mar-11	121	B2	CCC+	70.00	67.00	3.00	29.62%	2.874bp	1-Mar-11	0.09%	8.4%
Hertz	Hold	Sr Sub Nts	10.500%	1-Jan-16	600	B2	CCC+	67.50	61.00	6.50	19.36%	1.712bp	1-Jan-16	1.56%	54.9%
Hertz	Hold	Sr Nts	8.875%	1-Jan-14	1,800	B1	CCC+	73.50	71.50	2.00	17.37%	1.557bp	1-Jan-14	0.76%	23.9%
Interline Brands	NR	Sr Sub Nts	8.125%	15-Jun-14	200	B3	B+	94.50	93.00	1.50	9.50%	758bp	15-Jun-14	0.59%	22.7%
Iron Mountain	NR	Sr Sub Nts	8.625%	1-Apr-13	435	B2	B+	99.75	100.00	(0.25)	8.70%	714bp	1-Apr-13	-0.18%	8.7%
Iron Mountain	NR	Sr Sub Nts	7.750%	15-Jan-15	400	B2	B+	100.50	100.50	-	7.42%	660bp	15-Jan-11	0.06%	14.1%
Iron Mountain	NR	Sr Sub Nts	6.625%	1-Jan-16	320	B2	B+	95.50	95.00	0.50	7.49%	525bp	1-Jan-16	-0.45%	20.0%
Iron Mountain	NR	Sr Sub Nts	8.750%	15-Jul-18	200	B2	B+	100.13	100.13	-	8.71%	678bp	15-Jul-14	0.19%	18.3%
Iron Mountain	NR	Sr Sub Nts	8.000%	15-Jun-20	300	B2	B+	94.75	96.50	(1.75)	8.74%	576bp	15-Jun-20	-0.19%	21.0%
Itron	NR	Sr Sub Nts	7.750%	15-May-12	125	B3	B-	89.50	90.00	(0.50)	11.96%	1,067bp	15-May-12	0.07%	6.6%
J.B. Poindexter	Buy	Sr Nts	8.750%	15-Mar-14	200	Caa1	B	60.50	60.00	0.50	22.46%	2,061bp	15-Mar-14	0.12%	15.2%
L-3 Communications	Hold	Sr Sub Nts	6.125%	15-Jan-14	400	Ba3	BB+	95.00	95.00	-	7.40%	559bp	15-Jan-14	-0.08%	6.6%
L-3 Communications	Hold	Sr Sub Nts	5.875%	15-Jan-15	650	Ba3	BB+	92.25	92.50	(0.25)	7.57%	553bp	15-Jan-15	0.32%	4.4%
L-3 Communications	Hold	Sr Sub Nts	6.375%	15-Oct-15	1,000	Ba3	BB+	95.00	95.25	(0.25)	7.36%	516bp	15-Oct-15	-0.08%	3.7%
MAAX	NR	Sr Sub Nts	9.750%	15-Jun-12	150	Ca	D	0.50	0.50	-	250.00%	0bp	15-Jun-12	0.00%	-965.9%
Manitowoc	NR	Sr Nts	7.125%	1-Nov-13	150	B2	BB	70.50	67.25	3.25	16.69%	1,495bp	1-Nov-13	0.08%	-4.3%
Milacron Escrow	NR	Sr Sec Nts	11.500%	15-May-11	225	Ca	D	23.00	21.50	1.50	118.41%	0bp	15-May-11	0.00%	-65.5%
Moog	NR	Sr Sub Nts	6.250%	15-Jan-15	200	Ba3	BB-	92.75	92.00	0.75	7.84%	581bp	15-Jan-15	-0.21%	17.7%
Moog	NR	Sr Sub Nts	7.250%	15-Jun-18	200	Ba3	BB-	93.25	92.50	0.75	8.32%	556bp	15-Jun-18	-0.20%	19.3%
Mueller Water Products	NR	Sr Sub Nts	7.375%	1-Jun-17	425	Caa1	B	53.50	50.75	2.75	18.76%	1,622bp	1-Jun-17	0.55%	-17.8%
Nortek	NR	Sr Sub Nts	8.500%	1-Sep-14	625	Caa3	CC	24.00	18.00	6.00	50.87%	4,890bp	1-Sep-14	0.28%	14.0%
Park-Ohio Industries	NR	Sr Sub Nts	8.375%	15-Nov-14	210	B3	CCC+	43.13	41.00	2.13	30.03%	2,803bp	15-Nov-14	0.15%	11.2%
Ply Gem Industries	NR	Sr Sub Nts	9.000%	15-Feb-12	360	Caa2	CC	24.50	23.00	1.50	80.14%	7,894bp	15-Feb-12	0.29%	11.9%
Polycore	NR	Sr Sub Nts	8.750%	15-May-12	225	B3	B-	76.00	73.50	2.50	19.56%	1,828bp	15-May-12	0.09%	9.1%
Rexnord	Hold	Sr Nts	9.500%	1-Aug-14	795	Caa1	B-	80.50	80.25	0.25	14.97%	1,303bp	1-Aug-14	-1.10%	11.4%
Rexnord	Hold	Sr Sub Nts	11.750%	1-Aug-16	300	Caa2	CCC+	61.50	58.00	3.50	22.83%	2,046bp	1-Aug-16	0.15%	13.5%
Thermax Holdings	NR	Sr Sub Nts	9.250%	1-Feb-14	175	Caa1	CCC	65.50	65.50	-	21.05%	1,923bp	1-Feb-14	0.11%	-2.2%
Transdigm	Hold	Sr Sub Nts	7.750%	15-Jul-14	575	B3	B-	97.50	95.50	2.00	8.35%	641bp	15-Jul-14	0.82%	20.9%
Trimas Corp	NR	Sr Sub Nts	9.875%	15-Jun-12	336	Caa1	B-	53.00	50.75	2.25	36.06%	3,475bp	15-Jun-12	0.15%	12.0%
Trinity Industries	Hold	Sr Nts	6.500%	15-Mar-14	202	Baa3	BB+	80.50	80.50	-	11.87%	1,002bp	15-Mar-14	-0.09%	-1.5%
United Rentals	NR	Sr Nts	6.500%	15-Feb-12	1,000	B2	BB-	85.00	85.75	(0.75)	13.06%	1,185bp	15-Feb-12	0.50%	9.8%
United Rentals	NR	Sr Sub Nts	7.000%	15-Feb-14	375	Caa1	B	59.25	58.00	1.25	20.81%	1,898bp	15-Feb-14	0.10%	0.6%
United Rentals	NR	Sr Sub Nts	7.750%	15-Nov-13	525	Caa1	B	61.00	62.00	(1.00)	21.64%	1,899bp	15-Nov-13	0.10%	-2.4%
Valmont Industries	NR	Sr Sub Nts	6.875%	1-May-14	150	Ba2	BB	93.00	92.50	0.50	8.62%	673bp	1-May-14	0.06%	11.7%
Vought Aircraft Industries	NR	Sr Nts	8.000%	15-Jul-11	270	Caa1	CCC	38.75	38.50	0.25	62.56%	6,154bp	15-Jul-11	0.16%	-36.9%
WESCO Distribution	NR	Sr Sub Nts	7.500%	15-Oct-17	150	B1	B	77.13	75.00	2.13	11.85%	924bp	15-Oct-17	0.08%	21.0%
Westinghouse Air Brake	Hold	Sr Nts	6.875%	31-Jul-13	150	Ba2	BB	95.25	95.00	0.25	8.21%	656bp	31-Jul-13	0.06%	12.8%

Source: J.P. Morgan

Bond universe: ranked by YTW

High-yield Aerospace, Defense, Industrials & Business Services universe ranked by YTW

April 28, 2009

Issuer	Rec rating	Description	Coupon	Maturity	Outstanding	Moody's	S&P	Price		STW	YTW Date	Weekly Total Return	YTD Total Return
								28-Apr-09	YTW				
MAAX	NR	Sr Sub Nts	9.750%	15-Jun-12	150	Ca	D	0.50	250.00%	0bp	15-Jun-12	0.00%	-965.9%
Milacron Escrow	NR	Sr Sec Nts	11.500%	15-May-11	225	Ca	D	23.00	118.41%	0bp	15-May-11	0.00%	-65.5%
Ply Gem Industries	NR	Sr Sub Nts	9.000%	15-Feb-12	360	Caa2	CC	24.50	80.14%	7,894bp	15-Feb-12	0.29%	11.9%
Vought Aircraft Industries	NR	Sr Nts	8.000%	15-Jul-11	270	Caa1	CCC	38.75	62.56%	6,154bp	15-Jul-11	0.16%	-36.9%
Accuride	Hold	Sr Sub Nts	8.500%	1-Feb-15	275	Caa2	CCC	21.00	53.96%	5,191bp	1-Feb-15	-3.88%	-25.1%
Nortek	NR	Sr Sub Nts	8.500%	1-Sep-14	625	Caa3	CC	24.00	50.87%	4,890bp	1-Sep-14	0.28%	14.0%
Associated Materials	NR	Sr Disc Nts	11.250%	1-Mar-14	446	Caa2	CCC-	32.00	49.06%	4,722bp	1-Mar-14	0.28%	-39.2%
Avis Budget Car Rental	Hold	Sr Nts	7.625%	15-May-14	375	Caa1	CCC-	25.50	47.89%	4,599bp	15-May-14	0.22%	-3.8%
Hawker Beechcraft	Hold	Sr Sub Nts	9.750%	1-Apr-17	300	Ca	CCC	25.50	43.90%	4,139bp	1-Apr-17	6.42%	5.1%
Sequa	NR	Sr Nts	11.750%	1-Dec-15	500	Caa2	B-	32.00	43.23%	4,101bp	1-Dec-15	0.29%	-6.1%
Hawker Beechcraft	Hold	Sr Nts	9.625%	1-Apr-15	400	Caa3	CCC	19.00	41.28%	3,920bp	1-Apr-15	-4.40%	-41.4%
Avis Budget Car Rental	Hold	Sr Nts	7.750%	15-May-16	375	Caa1	CCC-	25.50	40.01%	3,769bp	15-May-16	0.22%	-3.7%
DAE Aviation	NR	Sr Nts	11.250%	1-Aug-15	325	Caa3	CCC+	36.00	39.35%	3,719bp	1-Aug-15	0.24%	-3.3%
Trimas Corp	NR	Sr Sub Nts	9.875%	15-Jun-12	336	Caa1	B-	53.00	36.06%	3,475bp	15-Jun-12	0.15%	12.0%
Sequa	NR	Sr Nts	13.500%	1-Dec-15	211	Caa2	B-	26.00	35.51%	3,328bp	1-Dec-15	0.00%	-16.0%
Hawker Beechcraft	Hold	Sr Nts	8.500%	1-Apr-15	400	Caa3	CCC	35.50	34.94%	3,286bp	1-Apr-15	1.61%	-6.7%
Hertz	Hold	Sr Nts	7.625%	1-Jun-12	176	B2	CCC+	54.00	32.15%	3,085bp	1-Jun-12	0.11%	15.9%
Park-Ohio Industries	NR	Sr Sub Nts	8.375%	15-Nov-14	210	B3	CCC+	43.13	30.03%	2,803bp	15-Nov-14	0.15%	11.2%
Stanadyne Automotive	NR	Sr Disc Bds	0.000%	15-Feb-15	100	Caa2	CCC+	49.00	29.78%	2,773bp	15-Feb-15	2.08%	8.9%
Hertz	Hold	Nts	7.400%	1-Mar-11	121	B2	CCC+	70.00	29.62%	2,874bp	1-Mar-11	0.09%	8.4%
Greenbrier Companies	Sell	Sr Nts	8.375%	15-May-15	235	Caa1	CCC	43.25	28.63%	2,652bp	15-May-15	0.15%	-35.0%
Hertz	Hold	Nts	6.350%	15-Jun-10	50	B2	NR	80.00	28.12%	2,757bp	15-Jun-10	0.06%	3.1%
Hertz	Hold	Sr Nts	7.000%	15-Jan-28	28	B2	NR	31.00	23.39%	2,008bp	15-Jan-28	0.18%	-8.4%
Hertz Corp	Hold	Sr Nts	7.875%	1-Jan-14	225	B1	B+	58.00	22.97%	2,064bp	1-Jan-14	0.11%	82.8%
Rexnord	Hold	Sr Sub Nts	11.750%	1-Aug-16	300	Caa2	CCC+	61.50	22.83%	2,046bp	1-Aug-16	0.15%	13.5%
J.B. Poindexter	Buy	Sr Nts	8.750%	15-Mar-14	200	Caa1	B	60.50	22.46%	2,061bp	15-Mar-14	0.12%	15.2%
United Rentals	NR	Sr Sub Nts	7.750%	15-Nov-13	525	Caa1	B	61.00	21.64%	1,989bp	15-Nov-13	0.10%	-2.4%
Thermadyne Holdings	NR	Sr Sub Nts	9.250%	1-Feb-14	175	Caa1	CCC	65.50	21.05%	1,923bp	1-Feb-14	0.11%	-2.2%
United Rentals	NR	Sr Sub Nts	7.000%	15-Feb-14	375	Caa1	B	59.25	20.81%	1,898bp	15-Feb-14	0.10%	0.6%
Rental Service	NR	Sr Nts	9.500%	1-Dec-14	620	Caa1	B-	64.00	20.63%	1,862bp	1-Dec-14	0.12%	21.3%
Associated Materials	NR	Sr Sub Nts	9.750%	15-Apr-12	165	Caa1	CCC	77.25	20.33%	1,907bp	15-Apr-12	-0.22%	1.9%
Gibraltar Industries Inc	Hold	Sr Sub Nts	8.000%	1-Dec-15	204	B3	B-	57.50	19.81%	1,759bp	1-Dec-15	-0.30%	7.0%
Polypore	NR	Sr Sub Nts	8.750%	15-May-12	225	B3	B-	76.00	19.56%	1,828bp	15-May-12	0.09%	9.1%
Hertz	Hold	Sr Sub Nts	10.500%	1-Jan-16	600	B2	CCC+	67.50	19.36%	1,712bp	1-Jan-16	1.56%	54.9%
Mueller Water Products	NR	Sr Sub Nts	7.375%	1-Jun-17	425	Caa1	B	53.50	18.76%	1,622bp	1-Jun-17	0.55%	-17.8%
ServiceMaster	Buy	Sr Nts	10.750%	15-Jul-15	1,150	B3	B-	71.50	18.16%	1,477bp	15-Jul-15	-1.75%	-6.2%
Hertz	Hold	Sr Nts	8.875%	1-Jan-14	1,800	B1	CCC+	73.50	17.37%	1,557bp	1-Jan-14	0.76%	23.9%
H&E Equipment	NR	Sr Nts	8.375%	15-Jul-16	250	B3	BB-	65.00	16.95%	1,460bp	15-Jul-16	0.10%	25.6%
Manitowoc	Hold	Sr Nts	7.125%	1-Nov-13	150	B2	BB	70.50	16.69%	1,495bp	1-Nov-13	0.08%	-4.3%
Rexnord	Hold	Sr Nts	8.875%	1-Sep-16	150	Caa3	B-	70.00	15.94%	1,356bp	1-Sep-16	0.10%	23.1%
Stanadyne Automotive	NR	Sr Sub Nts	10.000%	15-Aug-14	160	B3	B-	80.00	15.68%	1,373bp	15-Aug-14	8.73%	21.0%
Rexnord	Hold	Sr Nts	9.500%	1-Aug-14	795	Caa1	B-	80.50	14.97%	1,303bp	1-Aug-14	-1.10%	11.4%
Building Materials	NR	Sr Nts	7.750%	1-Aug-14	250	B3	B+	78.00	13.75%	1,181bp	1-Aug-14	2.00%	26.2%
Alliance Laundry Systems	NR	Sr Sub Nts	8.500%	15-Jan-13	150	Caa1	CCC+	86.25	13.30%	1,181bp	15-Jan-13	0.08%	14.6%
Sensus Metering Systems	NR	Sr Sub Nts	8.625%	15-Dec-13	275	B3	B-	84.75	13.11%	1,134bp	15-Dec-13	0.08%	19.6%
United Rentals	NR	Sr Nts	6.500%	15-Feb-12	1,000	B2	BB-	85.00	13.06%	1,185bp	15-Feb-12	0.50%	9.8%
Case New Holland	Buy	Sr Nts	6.000%	1-Jun-09	500	Ba3	BB+	99.38	12.39%	1,237bp	1-Jun-09	0.05%	4.3%
Case New Holland	Buy	Sr Nts	7.125%	1-Mar-14	500	Ba3	BB+	82.00	12.14%	1,030bp	1-Mar-14	0.07%	18.0%
Itron	NR	Sr Sub Nts	7.750%	15-May-12	125	B3	B-	89.50	11.96%	1,067bp	15-May-12	0.07%	6.6%
Trinity Industries	Hold	Sr Nts	6.500%	15-Mar-14	202	Baa3	BB+	80.50	11.87%	1,002bp	15-Mar-14	-0.09%	-1.5%

Source: J.P. Morgan

High -yield Aerospace, Defense, Industrials & Business Services universe ranked by YTW (continued)

April 28, 2009

Issuer	Rec rating	Description	Coupon	Maturity	Outstanding	Moody's	S&P	Price			YTD Total Return		
								28-Apr-09	YTW	STW		Weekly Total Return	
WESCO Distribution	NR	Sr Sub Nts	7.500%	15-Oct-17	150	B1	B	77.13	11.85%	924bp	15-Oct-17	0.08%	21.0%
Terex	Hold	Sr Sub Nts	8.000%	15-Nov-17	800	B1	B+	79.75	11.83%	919bp	15-Nov-17	-4.78%	-3.2%
Baldor Electric	Sell	Sr Nts	8.625%	15-Feb-17	550	B3	B	84.00	11.81%	934bp	15-Feb-17	0.67%	15.6%
Communications & Power Industries	NR	Sr Sub Nts	8.000%	1-Feb-12	125	B3	B-	92.00	11.45%	1,026bp	1-Feb-12	0.07%	11.2%
Bombardier	NR	Nts	6.750%	1-May-12	550	Ba2	BB+	88.50	11.37%	1,010bp	1-May-12	0.06%	2.0%
Bombardier	NR	Nts	6.300%	1-May-14	500	Ba2	BB+	81.25	11.30%	941bp	1-May-14	-0.23%	1.1%
Bombardier	NR	Nts	7.450%	1-May-34	250	Ba2	BB+	69.00	11.15%	757bp	1-May-34	0.09%	12.0%
Terex	Hold	Sr Sub Nts	7.375%	15-Jan-14	300	Ba2	BB	87.00	10.97%	917bp	15-Jan-14	-2.66%	2.5%
Case	Buy	Nts	7.250%	15-Jan-16	300	Ba3	BB+	83.50	10.76%	851bp	15-Jan-16	0.07%	22.3%
Blount	NR	Sr Sub Nts	8.875%	1-Aug-12	175	B2	B	95.50	10.53%	918bp	1-Aug-12	-0.43%	6.0%
DynCorp	NR	Sr Sub Nts	9.500%	15-Feb-13	417	B2	B	97.25	10.38%	887bp	15-Feb-13	0.59%	14.4%
BE Aerospace	NR	Sr Nts	8.500%	1-Jul-18	600	Ba3	BB+	90.25	10.15%	739bp	1-Jul-18	-0.73%	3.2%
General Cable	Hold	Sr Nts	7.125%	1-Apr-17	200	B1	B+	85.00	9.90%	740bp	1-Apr-17	0.07%	31.2%
Interline Brands	NR	Sr Sub Nts	8.125%	15-Jun-14	200	B3	B+	94.50	9.50%	758bp	15-Jun-14	0.59%	22.7%
Hexcel	Hold	Sr Sub Nts	6.750%	1-Feb-15	225	B1	B+	88.00	9.50%	745bp	1-Feb-15	0.06%	17.8%
Columbus McKinnon	NR	Sr Sub Nts	8.875%	1-Nov-13	136	B1	B+	98.25	9.36%	762bp	1-Nov-13	0.07%	19.8%
Allied Waste Industries	NR	Debs	9.250%	1-May-21	100	Baa3	BBB	99.90	9.26%	624bp	1-May-21	-0.33%	3.9%
Briggs & Stratton	NR	Sr Nts	8.875%	15-Mar-11	275	Ba3	BB-	100.00	8.88%	798bp	15-Mar-11	0.07%	10.3%
Briggs & Stratton	NR	Sr Nts	8.875%	15-Mar-11	275	Ba3	BB-	100.00	8.88%	798bp	15-Mar-11	0.07%	10.3%
Iron Mountain	NR	Sr Sub Nts	8.000%	15-Jun-20	300	B2	B+	94.75	8.74%	576bp	15-Jun-20	-0.19%	21.0%
Iron Mountain	NR	Sr Sub Nts	8.750%	15-Jul-18	200	B2	B+	100.13	8.71%	678bp	15-Jul-18	0.19%	18.3%
Iron Mountain	NR	Sr Sub Nts	8.625%	1-Apr-13	435	B2	B+	99.75	8.70%	714bp	1-Apr-13	-0.18%	8.7%
Valmont Industries	NR	Sr Sub Nts	6.875%	1-May-14	150	Ba2	BB	93.00	8.62%	673bp	1-May-14	0.06%	11.7%
Allied Waste Industries	NR	Debs	7.400%	15-Sep-35	400	Baa3	BBB	88.01	8.55%	491bp	15-Sep-35	-0.90%	9.2%
Transdigm	Hold	Sr Sub Nts	7.750%	15-Jul-14	575	B3	B-	97.50	8.35%	641bp	15-Jul-14	0.82%	20.9%
Esterline Technologies	Hold	Sr Sub Nts	7.750%	15-Jun-13	175	B1	B+	98.00	8.33%	671bp	15-Jun-13	1.83%	15.3%
Moog	NR	Sr Sub Nts	7.250%	15-Jun-18	200	Ba3	BB-	93.25	8.32%	556bp	15-Jun-18	-0.20%	19.3%
Westinghouse Air Brake	Hold	Sr Nts	6.875%	31-Jul-13	150	Ba2	BB	95.25	8.21%	656bp	31-Jul-13	0.06%	12.8%
SPX	NR	Sr Nts	7.625%	15-Dec-14	500	Ba2	BB	98.00	8.07%	605bp	15-Dec-14	0.06%	15.3%
DRS Technologies	Hold	Sr Sub Nts	6.875%	1-Nov-13	550	Baa1	BBB-	97.98	7.41%	567bp	1-Nov-13	-0.13%	0.6%
L-3 Communications	Hold	Sr Sub Nts	6.125%	15-Jan-14	400	Ba3	BB+	95.00	7.40%	559bp	15-Jan-14	-0.08%	6.6%
L-3 Communications	Hold	Sr Sub Nts	6.375%	15-Oct-15	1,000	Ba3	BB+	95.00	7.36%	516bp	15-Oct-15	-0.08%	3.7%
Alliant Techsystems	Hold	Sr Sub Nts	6.750%	1-Apr-16	400	B1	BB-	97.00	7.31%	502bp	1-Apr-16	1.10%	9.9%
L-3 Communications	Hold	Sr Sub Nts	6.125%	15-Jul-13	400	Ba3	BB+	96.00	7.24%	559bp	15-Jul-13	-0.46%	6.2%
L-3 Communications	Hold	Sr Sub Nts	7.625%	15-Jun-12	750	Ba3	BB+	100.50	7.15%	659bp	15-Jun-10	-0.06%	5.2%
Allied Waste North America	NR	Sr Sec Nts	6.125%	15-Feb-14	425	Baa3	BBB	96.00	7.12%	529bp	15-Feb-14	0.57%	8.0%
Allied Waste North America	NR	Sr Nts	7.875%	15-Apr-13	450	Baa3	BBB	101.50	7.04%	610bp	15-Apr-11	0.06%	9.2%
DRS Technologies	Hold	Sr Nts	6.625%	1-Feb-16	350	A3	BBB	100.05	6.61%	479bp	1-Feb-14	-0.26%	2.0%
Allied Waste North America	NR	Sr Sec Nts	6.375%	15-Apr-11	275	Baa3	BBB	100.00	6.37%	543bp	15-Apr-11	0.05%	7.2%
Allied Waste North America	NR	Sec Nts	6.500%	15-Nov-10	350	Baa3	BBB	100.25	6.33%	558bp	15-Nov-10	0.05%	5.8%
Allied Waste North America	NR	Sr Sec Nts	5.750%	15-Feb-11	400	Baa3	BBB	99.75	5.89%	503bp	15-Feb-11	0.05%	8.1%

Source: J.P. Morgan

Bond universe: ranked by YTD Total Return

High-yield Aerospace, Defense, Industrials, & Business Services universe ranked by YTD Total Return

April 28, 2009

Issuer	Rec rating	Description	Coupon	Maturity	Outstanding	Moody's	S&P	Price			Weekly Total Return	YTD Total Return	
								28-Apr-09	YTW	STW			
Hertz Corp	Hold	Sr Nts	7.875%	1-Jan-14	225	B1	B+	58.00	22.97%	2,064bp	1-Jan-14	0.11%	82.84%
Hertz	Hold	Sr Sub Nts	10.500%	1-Jan-16	600	B2	CCC+	67.50	19.36%	1,712bp	1-Jan-16	1.56%	54.87%
General Cable	Hold	Sr Nts	7.125%	1-Apr-17	200	B1	B+	85.00	9.90%	740bp	1-Apr-17	0.07%	31.23%
Building Materials	NR	Sr Nts	7.750%	1-Aug-14	250	B3	B+	78.00	13.75%	1,181bp	1-Aug-14	2.00%	26.22%
H&E Equipment	NR	Sr Nts	8.375%	15-Jul-16	250	B3	BB-	65.00	16.95%	1,460bp	15-Jul-16	0.10%	25.59%
Hertz	Hold	Sr Nts	8.875%	1-Jan-14	1,800	B1	CCC+	73.50	17.37%	1,557bp	1-Jan-14	0.76%	23.91%
Rexnord	Hold	Sr Nts	8.875%	1-Sep-16	150	Caa3	B-	70.00	15.94%	1,356bp	1-Sep-16	0.10%	23.12%
Interline Brands	NR	Sr Sub Nts	8.125%	15-Jun-14	200	B3	B+	94.50	9.50%	758bp	15-Jun-14	0.59%	22.66%
Case	Buy	Nts	7.250%	15-Jan-16	300	Ba3	BB+	83.50	10.76%	851bp	15-Jan-16	0.07%	22.26%
Rental Service	NR	Sr Nts	9.500%	1-Dec-14	620	Caa1	B-	64.00	20.63%	1,862bp	1-Dec-14	0.12%	21.33%
Iron Mountain	NR	Sr Sub Nts	8.000%	15-Jun-20	300	B2	B+	94.75	8.74%	576bp	15-Jun-20	-0.19%	21.02%
Stanadyne Automotive	NR	Sr Sub Nts	10.000%	15-Aug-14	160	B3	B-	80.00	15.68%	1,373bp	15-Aug-14	8.73%	20.97%
WESCO Distribution	NR	Sr Sub Nts	7.500%	15-Oct-17	150	B1	B	77.13	11.85%	924bp	15-Oct-17	0.08%	20.97%
Transdigm	Hold	Sr Sub Nts	7.750%	15-Jul-14	575	B3	B-	97.50	8.35%	641bp	15-Jul-14	0.82%	20.88%
Iron Mountain	NR	Sr Sub Nts	6.625%	1-Jan-16	320	B2	B+	95.50	7.49%	525bp	1-Jan-16	-0.45%	20.03%
Columbus McKinnon	NR	Sr Sub Nts	8.875%	1-Nov-13	136	B1	B+	98.25	9.36%	762bp	1-Nov-13	0.07%	19.84%
Sensus Metering Systems	NR	Sr Sub Nts	8.625%	15-Dec-13	275	B3	B-	84.75	13.11%	1,134bp	15-Dec-13	0.08%	19.60%
Moog	NR	Sr Sub Nts	7.250%	15-Jun-18	200	Ba3	BB-	93.25	8.32%	556bp	15-Jun-18	-0.20%	19.25%
Iron Mountain	NR	Sr Sub Nts	8.750%	15-Jul-18	200	B2	B+	100.13	8.71%	678bp	15-Jul-14	0.19%	18.33%
Case New Holland	Buy	Sr Nts	7.125%	1-Mar-14	500	Ba3	BB+	82.00	12.14%	1,030bp	1-Mar-14	0.07%	17.96%
Hexcel	Hold	Sr Sub Nts	6.750%	1-Feb-15	225	B1	B+	88.00	9.50%	745bp	1-Feb-15	0.06%	17.85%
Moog	NR	Sr Sub Nts	6.250%	15-Jan-15	200	Ba3	BB-	92.75	7.84%	581bp	15-Jan-15	-0.21%	17.69%
Hertz	Hold	Sr Nts	7.625%	1-Jun-12	176	B2	CCC+	54.00	32.15%	3,085bp	1-Jun-12	0.11%	15.94%
Baldor Electric	Sell	Sr Nts	8.625%	15-Feb-17	550	B3	B	84.00	11.81%	934bp	15-Feb-17	0.67%	15.61%
Estelrine Technologies	Hold	Sr Sub Nts	7.750%	15-Jun-13	175	B1	B+	98.00	8.33%	671bp	15-Jun-13	1.83%	15.31%
SPX	NR	Sr Nts	7.625%	15-Dec-14	500	Ba2	BB	98.00	8.07%	605bp	15-Dec-14	0.06%	15.27%
J.B. Poindexter	Buy	Sr Nts	8.750%	15-Mar-14	200	Caa1	B	60.50	22.46%	2,061bp	15-Mar-14	0.12%	15.21%
Alliance Laundry Systems	NR	Sr Sub Nts	8.500%	15-Jan-13	150	Caa1	CCC+	86.25	13.30%	1,181bp	15-Jan-13	0.08%	14.65%
DynCorp	NR	Sr Sub Nts	9.500%	15-Feb-13	417	B2	B	97.25	10.38%	887bp	15-Feb-13	0.59%	14.37%
Iron Mountain	NR	Sr Sub Nts	7.750%	15-Jan-15	400	B2	B+	100.50	7.42%	660bp	15-Jan-11	0.06%	14.06%
Nortek	NR	Sr Sub Nts	8.500%	1-Sep-14	625	Caa3	CC	24.00	50.87%	4,890bp	1-Sep-14	0.28%	13.95%
Rexnord	Hold	Sr Sub Nts	11.750%	1-Aug-16	300	Caa2	CCC+	61.50	22.83%	2,046bp	1-Aug-16	0.15%	13.55%
Westinghouse Air Brake	Hold	Sr Nts	6.875%	31-Jul-13	150	Ba2	BB	95.25	8.21%	656bp	31-Jul-13	0.06%	12.78%
Bombardier	NR	Nts	7.450%	1-May-34	250	Ba2	BB+	69.00	11.15%	757bp	1-May-34	0.09%	12.02%
Trimas Corp	NR	Sr Sub Nts	9.875%	15-Jun-12	336	Caa1	B-	53.00	36.06%	3,475bp	15-Jun-12	0.15%	11.95%
Ply Gem Industries	NR	Sr Sub Nts	9.000%	15-Feb-12	360	Caa2	CC	24.50	80.14%	7,894bp	15-Feb-12	0.29%	11.90%
Valmont Industries	NR	Sr Sub Nts	6.875%	1-May-14	150	Ba2	BB	93.00	8.62%	673bp	1-May-14	0.06%	11.73%
Rexnord	Hold	Sr Nts	9.500%	1-Aug-14	795	Caa1	B-	80.50	14.97%	1,303bp	1-Aug-14	-1.10%	11.36%
Communications & Power Industries	NR	Sr Sub Nts	8.000%	1-Feb-12	125	B3	B-	92.00	11.45%	1,026bp	1-Feb-12	0.07%	11.18%
Park-Ohio Industries	NR	Sr Sub Nts	8.375%	15-Nov-14	210	B3	CCC+	43.13	30.03%	2,803bp	15-Nov-14	0.15%	11.16%
Briggs & Stratton	NR	Sr Nts	8.875%	15-Mar-11	275	Ba3	BB-	100.00	8.88%	798bp	15-Mar-11	0.07%	10.33%
Briggs & Stratton	NR	Sr Nts	8.875%	15-Mar-11	275	Ba3	BB-	100.00	8.88%	798bp	15-Mar-11	0.07%	10.33%
Alliant Techsystems	Hold	Sr Sub Nts	6.750%	1-Apr-16	400	B1	BB-	97.00	7.31%	502bp	1-Apr-16	1.10%	9.89%
United Rentals	NR	Sr Nts	6.500%	15-Feb-12	1,000	B2	BB-	85.00	13.06%	1,185bp	15-Feb-12	0.50%	9.82%
Allied Waste North America	NR	Sr Nts	7.875%	15-Apr-13	450	Baa3	BBB	101.50	7.04%	610bp	15-Apr-11	0.06%	9.23%
Allied Waste Industries	NR	Debs	7.400%	15-Sep-35	400	Baa3	BBB	88.01	8.55%	491bp	15-Sep-35	-0.90%	9.20%
Polypore	NR	Sr Sub Nts	8.750%	15-May-12	225	B3	B-	76.00	19.56%	1,828bp	15-May-12	0.09%	9.15%
Stanadyne Automotive	NR	Sr Disc Bds	0.000%	15-Feb-15	100	Caa2	CCC+	49.00	29.78%	2,773bp	15-Feb-15	2.08%	8.89%
Iron Mountain	NR	Sr Sub Nts	8.625%	1-Apr-13	435	B2	B+	99.75	8.70%	714bp	1-Apr-13	-0.18%	8.73%
Hertz	Hold	Nts	7.400%	1-Mar-11	121	B2	CCC+	70.00	29.62%	2,874bp	1-Mar-11	0.09%	8.37%

Source: J.P. Morgan

High-yield Aerospace, Defense, Industrials, & Business Services universe ranked by YTD Total Return (continued)

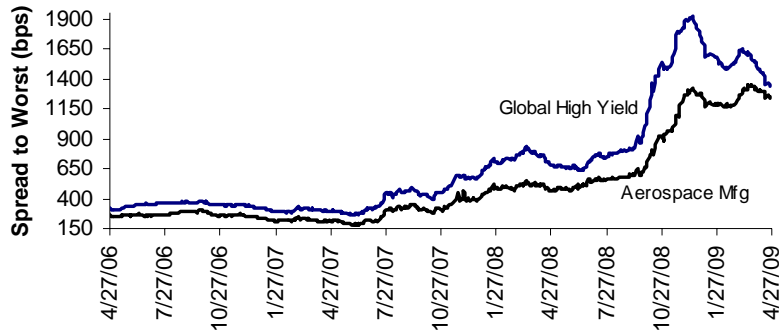
April 28, 2009

Issuer	Rec rating	Description	Coupon	Maturity	Outstanding	Moody's	S&P	Price			Weekly Total Return	YTD Total Return	
								28-Apr-09	YTW	STW			
Allied Waste North America	NR	Sr Sec Nts	7.125%	15-May-16	600	Baa3	BBB	96.50	7.78%	546bp	15-May-16	0.06%	8.37%
Allied Waste North America	NR	Sr Sec Nts	5.750%	15-Feb-11	400	Baa3	BBB	99.75	5.89%	503bp	15-Feb-11	0.05%	8.10%
Allied Waste North America	NR	Sr Sec Nts	6.125%	15-Feb-14	425	Baa3	BBB	96.00	7.12%	529bp	15-Feb-14	0.57%	7.95%
Allied Waste North America	NR	Sr Nts	7.375%	15-Apr-14	400	Baa3	BBB	99.50	7.50%	562bp	15-Apr-14	0.06%	7.56%
Allied Waste North America	NR	Sr Sec Nts	6.375%	15-Apr-11	275	Baa3	BBB	100.00	6.37%	543bp	15-Apr-11	0.05%	7.22%
Allied Waste North America	NR	Sr Nts	7.250%	15-Mar-15	600	Baa3	BBB	97.50	7.79%	571bp	15-Mar-15	0.06%	7.07%
Gibraltar Industries Inc	Hold	Sr Sub Nts	8.000%	1-Dec-15	204	B3	B-	57.50	19.81%	1,759bp	1-Dec-15	-0.30%	6.99%
Itron	NR	Sr Sub Nts	7.750%	15-May-12	125	B3	B-	89.50	11.96%	1,067bp	15-May-12	0.07%	6.61%
L-3 Communications	Hold	Sr Sub Nts	6.125%	15-Jan-14	400	Ba3	BB+	95.00	7.40%	559bp	15-Jan-14	-0.08%	6.55%
L-3 Communications	Hold	Sr Sub Nts	6.125%	15-Jul-13	400	Ba3	BB+	96.00	7.24%	559bp	15-Jul-13	-0.46%	6.21%
Blount	NR	Sr Sub Nts	8.875%	1-Aug-12	175	B2	B	95.50	10.53%	918bp	1-Aug-12	-0.43%	5.96%
Allied Waste North America	NR	Sec Nts	6.500%	15-Nov-10	350	Baa3	BBB	100.25	6.33%	558bp	15-Nov-10	0.05%	5.81%
L-3 Communications	Hold	Sr Sub Nts	7.625%	15-Jun-12	750	Ba3	BB+	100.50	7.15%	659bp	15-Jun-10	-0.06%	5.19%
Allied Waste North America	NR	Sr Nts	6.875%	1-Jun-17	750	Baa3	BBB	95.00	7.72%	518bp	1-Jun-17	0.06%	4.40%
L-3 Communications	Hold	Sr Sub Nts	5.875%	15-Jan-15	650	Ba3	BB+	92.25	7.57%	553bp	15-Jan-15	0.32%	4.38%
Case New Holland	Buy	Sr Nts	6.000%	1-Jun-09	500	Ba3	BB+	99.38	12.39%	1,237bp	1-Jun-09	0.05%	4.33%
Allied Waste Industries	NR	Debs	9.250%	1-May-21	100	Baa3	BBB	99.90	9.26%	624bp	1-May-21	-0.33%	3.91%
L-3 Communications	Hold	Sr Sub Nts	6.375%	15-Oct-15	1,000	Ba3	BB+	95.00	7.36%	516bp	15-Oct-15	-0.08%	3.65%
BE Aerospace	NR	Sr Nts	8.500%	1-Jul-18	600	Ba3	BB+	90.25	10.15%	739bp	1-Jul-18	-0.73%	3.19%
Hertz	Hold	Nts	6.350%	15-Jun-10	50	B2	NR	80.00	28.12%	2,757bp	15-Jun-10	0.06%	3.08%
Terex	Hold	Sr Sub Nts	7.375%	15-Jan-14	300	Ba2	BB	87.00	10.97%	917bp	15-Jan-14	-2.66%	2.51%
Bombardier	NR	Nts	6.750%	1-May-12	550	Ba2	BB+	88.50	11.37%	1,010bp	1-May-12	0.06%	2.04%
DRS Technologies	Hold	Sr Nts	6.625%	1-Feb-16	350	A3	BBB	100.05	6.61%	479bp	1-Feb-14	-0.26%	2.03%
Associated Materials	NR	Sr Sub Nts	9.750%	15-Apr-12	165	Caa1	CCC	77.25	20.33%	1,907bp	15-Apr-12	-0.22%	1.86%
DRS Technologies	Hold	Sr Sub Nts	7.625%	1-Feb-18	250	Baa1	BBB-	99.42	7.71%	504bp	1-Feb-18	-0.31%	1.72%
Bombardier	NR	Nts	6.300%	1-May-14	500	Ba2	BB+	81.25	11.30%	941bp	1-May-14	-0.23%	1.13%
United Rentals	NR	Sr Sub Nts	7.000%	15-Feb-14	375	Caa1	B	59.25	20.81%	1,898bp	15-Feb-14	0.10%	0.64%
Sequa	NR	Sr Nts	11.750%	1-Dec-15	500	Caa2	B-	32.00	43.23%	4,101bp	1-Dec-15	0.29%	-6.07%
ServiceMaster	Buy	Sr Nts	10.750%	15-Jul-15	1,150	B3	B-	71.50	18.16%	1,477bp	15-Jul-15	-1.75%	-6.17%
Hawker Beechcraft	Hold	Sr Nts	8.500%	1-Apr-15	400	Caa3	CCC	35.50	34.94%	3,286bp	1-Apr-15	1.61%	-6.66%
Hertz	Hold	Sr Nts	7.000%	15-Jan-28	28	B2	NR	31.00	23.39%	2,008bp	15-Jan-28	0.18%	-8.39%
Sequa	NR	Sr Nts	13.500%	1-Dec-15	211	Caa2	B-	26.00	35.51%	3,328bp	1-Dec-15	0.00%	-16.01%
Mueller Water Products	NR	Sr Sub Nts	7.375%	1-Jun-17	425	Caa1	B	53.50	18.76%	1,622bp	1-Jun-17	0.55%	-17.79%
Accuride	Hold	Sr Sub Nts	8.500%	1-Feb-15	275	Caa2	CCC	21.00	53.96%	5,191bp	1-Feb-15	-3.88%	-25.07%
Greenbrier Companies	Sell	Sr Nts	8.375%	15-May-15	235	Caa1	CCC	43.25	28.63%	2,652bp	15-May-15	0.15%	-34.98%
Vought Aircraft Industries	NR	Sr Nts	8.000%	15-Jul-11	270	Caa1	CCC	38.75	62.56%	6,154bp	15-Jul-11	0.16%	-36.86%
Associated Materials	NR	Sr Disc Nts	11.250%	1-Mar-14	446	Caa2	CCC-	32.00	49.06%	4,722bp	1-Mar-14	0.28%	-39.19%
Hawker Beechcraft	Hold	Sr Nts	9.625%	1-Apr-15	400	Caa3	CCC	19.00	41.28%	3,920bp	1-Apr-15	-4.40%	-41.43%
Milacron Escrow	NR	Sr Sec Nts	11.500%	15-May-11	225	Ca	D	23.00	118.41%	0bp	15-May-11	0.00%	-65.48%
MAAX	NR	Sr Sub Nts	9.750%	15-Jun-12	150	Ca	D	0.50	250.00%	0bp	15-Jun-12	0.00%	-965.90%

Source: J.P. Morgan

Aerospace and defense: sector performance

J.P. Morgan Domestic HY Aerospace Mfg. Index vs. J.P. Morgan Domestic High-Yield Index



Source: J.P. Morgan.

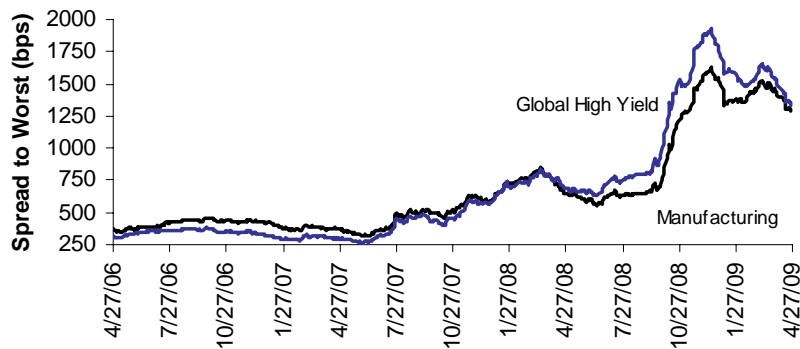
JPMorgan Indices STW

April 28, 2009

Index	STW
Global HY Index	1321bp
HY Aerospace Index	1239bp
HY Manufacturing Index	1274bp
Transportation Index	2215bp

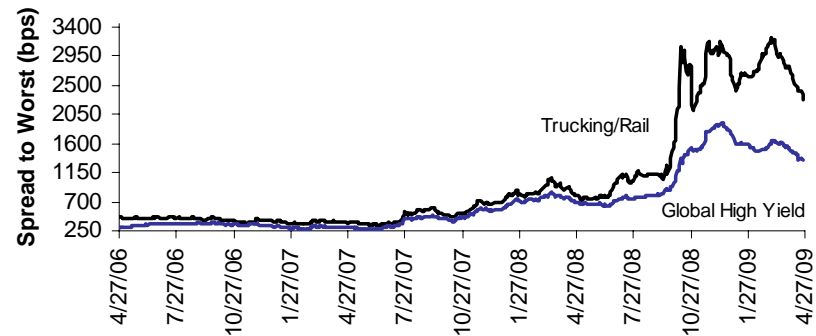
Industrials and services: sector performance

J.P. Morgan Domestic HY Manufacturing Index vs. J.P. Morgan Domestic High-Yield Index



Source: J.P. Morgan

J.P. Morgan Domestic HY Trucking/Rail Index vs. J.P. Morgan Domestic High-Yield Index



Source: J.P. Morgan

Source for all graphs and charts on this page: J.P. Morgan

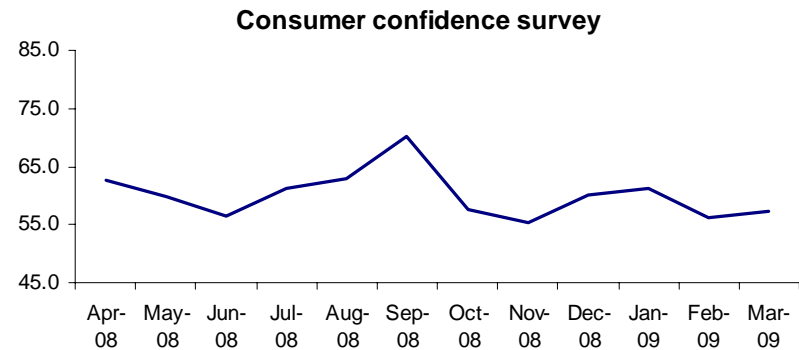
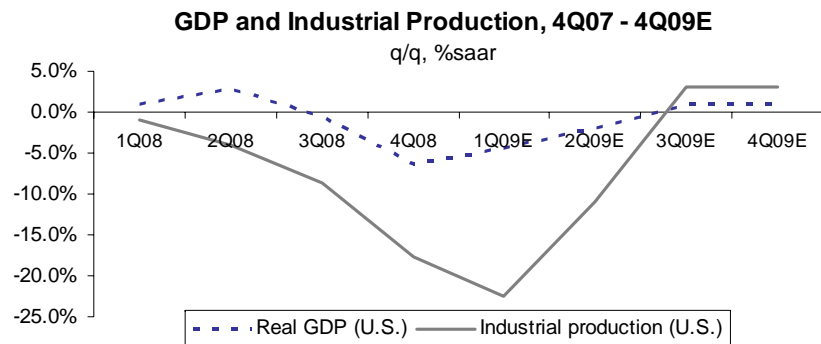
Economic overview

q/q, %saar	Quarterly								Annual			
	1Q08	2Q08	3Q08	4Q08	1Q09E	2Q09E	3Q09E	4Q09E	FY2007	FY2008	FY2009E	FY2010E
Real GDP (U.S.)	0.9%	2.8%	-0.5%	-6.3%	-4.5%	-2.0%	1.0%	1.0%	2.0%	1.1%	-2.4%	1.9%
Industrial production (U.S.)	-1.0%	-4.1%	-8.6%	-17.7%	-22.5%	-11.0%	3.0%	3.0%	1.7%	-3.2%	-12.4%	2.8%

Source: J.P. Morgan economic research, Bruce Kasman

	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
Consumer confidence	62.6	59.8	56.4	61.2	63.0	70.3	57.6	55.3	60.1	61.2	56.3	57.3

Source: University of Michigan

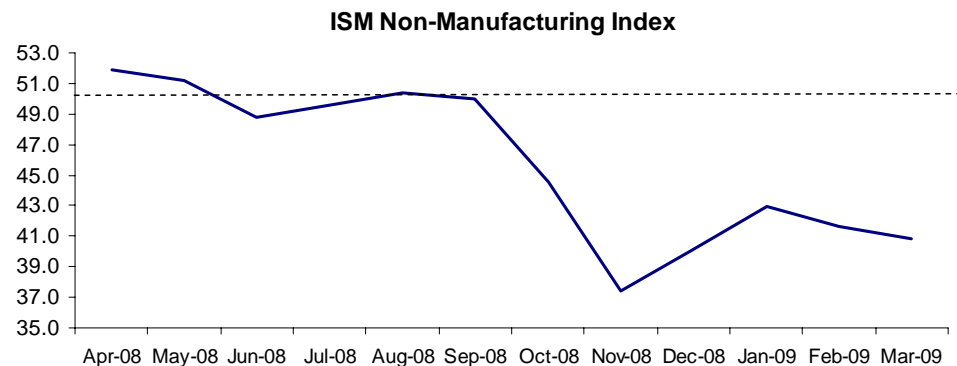
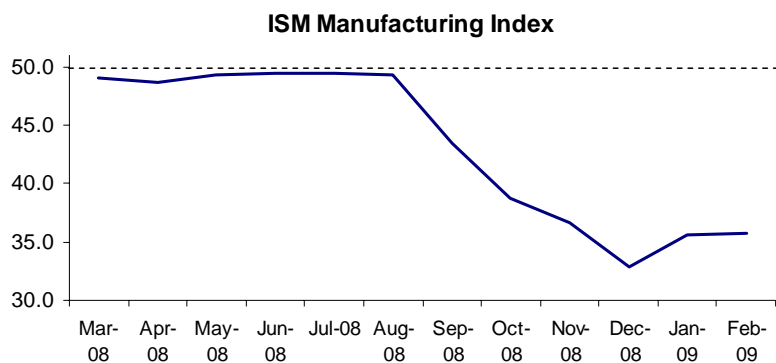


Source for all charts on this page: J.P. Morgan, University of Michigan.

Economic overview continued

	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
ISM Manufacturing	48.6	49.3	49.5	49.5	49.3	43.4	38.7	36.6	32.9	35.6	35.8	36.3
ISM Non-Manufacturing	51.9	51.2	48.8	49.6	50.4	50.0	44.6	37.4	40.1	42.9	41.6	40.8

Source: Institute of Supply Management



Source for all charts on this page: J.P.Morgan, ISM.

Housing industry overview

Housing industry data

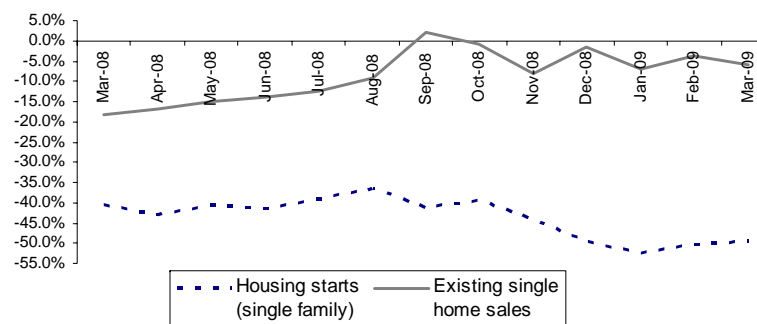
<i>in thousands, SAAR</i>	Housing starts (single family)	<i>y-o-y %</i>	Existing single home sales	<i>y-o-y %</i>
Annual				
2000	1,231	-5.5%	4,614	-0.5%
2001	1,273	3.4%	4,727	2.4%
2002	1,359	6.7%	4,998	5.7%
2003	1,499	10.3%	5,443	8.9%
2004	1,611	7.4%	5,958	9.5%
2005	1,716	6.5%	6,180	3.7%
2006	1,465	-14.6%	5,677	-8.1%
2007	1,046	-28.6%	5,652	-0.4%
Last twelve months				
Mar-08	711	-40.6%	4,350	-18.4%
Apr-08	681	-43.2%	4,300	-16.8%
May-08	682	-40.5%	4,380	-15.1%
Jun-08	663	-41.6%	4,310	-14.0%
Jul-08	644	-39.0%	4,390	-12.4%
Aug-08	615	-36.5%	4,370	-9.1%
Sep-08	551	-41.1%	4,540	2.0%
Oct-08	536	-39.4%	4,390	-0.9%
Nov-08	456	-44.1%	4,060	-7.9%
Dec-08	394	-49.4%	4,250	-1.6%
Jan-09	356	-52.5%	4,050	-6.9%
Feb-09	358	-50.4%	4,220	-3.9%
Mar-09	358	-49.6%	4,100	-5.7%
Forecast				
1Q09	341	-53.1%	4,572 *	-7.2%
2Q09	317	-53.0%	4,704 *	-4.0%
3Q09	305	-49.5%	5,007 *	0.0%
4Q09	322	-30.3%	5,498 *	16.0%
FY2009	321	-48.4%	4,964 *	1.0%
FY2010	444	38.2%	5,252 *	5.8%

Source: U.S. Census Bureau, National Association of Realtors (NARS)

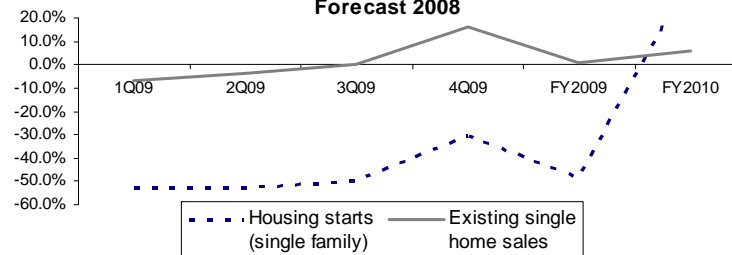
*Existing home sales forecast includes single family, coops and condos.

Source for all graphs on this page: U.S. Census, NAR.

Housing Starts (single family)
and Existing Home Sales, LTM



Housing Starts (single family)
Existing Home Sales
Forecast 2008



Construction industry overview

Construction put in place

Type of Construction: SAAR, % change y-o-y	Feb 2009 ^P	Jan 2009 ^F	Dec 2008 ^F	Nov 2008 ^F	Oct 2008 ^F	Sep 2008 ^F	Aug 2008 ^F	Jul 2008 ^F	Jun 2008	May 2008	Apr 2008	Mar 2008	Feb 2008	FY 2008 ^P	FY 2007	FY 2006
Total Construction	967,523	976,161	1,012,017	1,044,551	1,082,279	1,085,669	1,085,743	1,060,011	1,086,584	1,085,684	1,089,294	1,090,471	1,136,516	1,078,858	1,161,303	1,192,238
	-10.0%	-10.1%	-7.5%	-6.3%	-3.7%	-4.3%	-4.7%	-8.7%	-7.2%	-7.4%	-6.6%	-6.3%	-2.2%	-7.1%	-2.6%	5.3%
Residential	282,584	294,695	305,451	321,774	351,422	359,283	360,953	342,490	363,961	386,336	392,239	398,614	473,328	365,891	532,575	647,416
	-29.2%	-28.5%	-27.4%	-26.2%	-22.6%	-23.9%	-26.0%	-36.0%	-33.4%	-30.0%	-29.8%	-29.1%	-16.9%	-31.3%	-17.7%	0.1%
Nonresidential	684,939	681,466	706,566	722,777	730,857	726,386	724,790	717,521	722,623	699,348	697,055	691,856	663,188	712,966	628,733	544,822
	1.3%	1.2%	5.0%	6.4%	9.1%	9.6%	11.4%	14.7%	15.8%	12.8%	14.7%	15.0%	11.9%	13.4%	15.4%	12.3%
Total Private Construction ¹	665,860	676,945	705,303	727,986	766,915	771,858	769,061	751,525	780,394	783,897	789,413	789,629	841,980	770,392	874,797	937,047
	-15.0%	-14.8%	-11.6%	-10.9%	-7.6%	-7.9%	-9.4%	-14.1%	-11.8%	-11.7%	-11.1%	-11.0%	-5.4%	-11.9%	-6.6%	4.3%
Residential	275,133	287,402	298,356	314,127	343,800	351,242	352,936	334,494	356,441	379,143	385,080	391,643	466,668	358,351	525,515	641,332
	-29.8%	-29.0%	-27.9%	-26.7%	-23.1%	-24.5%	-26.5%	-36.7%	-33.8%	-30.4%	-30.2%	-29.5%	-17.1%	-31.8%	-18.1%	0.0%
Nonresidential	390,727	389,543	406,947	413,859	423,116	420,616	416,126	417,031	423,953	404,754	404,333	397,986	375,312	412,041	349,283	295,715
	-0.2%	0.0%	6.1%	6.6%	10.5%	12.9%	13.0%	20.4%	22.4%	17.9%	20.2%	20.2%	14.9%	18.0%	18.1%	15.2%
Total Public Construction ²	301,663	299,216	306,715	316,565	315,364	313,811	316,681	308,486	306,190	301,787	299,881	300,842	294,536	308,465	286,507	255,191
	3.4%	2.9%	3.6%	6.1%	7.2%	5.6%	9.1%	7.6%	7.2%	6.2%	7.8%	8.7%	8.1%	7.7%	12.3%	9.0%
Residential	7,451	7,293	7,096	7,647	7,622	8,041	8,017	7,996	7,520	7,193	7,159	6,972	6,660	7,540	7,059	6,084
	7.7%	2.3%	0.8%	6.6%	4.9%	10.5%	4.1%	6.1%	-5.6%	-1.1%	6.3%	5.5%	1.5%	6.8%	16.0%	8.5%
Nonresidential	294,212	291,923	299,619	308,917	307,742	305,770	308,664	300,490	298,670	294,594	292,722	293,870	287,876	300,925	279,448	249,108
	3.3%	2.9%	3.7%	6.1%	7.2%	5.5%	9.2%	7.6%	7.6%	6.4%	7.9%	8.8%	8.2%	7.7%	12.2%	9.0%

Source: U.S. Census

¹ Includes the following categories of private construction not shown separately:

public safety, highway and street, sewage and waste disposal, water supply, and conservation and development.

² Includes the following categories of public construction not shown separately:

lodging, religious, communication and manufacturing.

Agriculture and construction equipment overview

Agricultural equipment industry volume trends

	FY2005	FY2006	1Q07	2Q07	3Q07	4Q07	FY2007	1Q08	2Q08	3Q08	4Q08	FY2008	1Q09	FY2009E
Tractors - world wide	5.0%	9.0%	-4.0%	4.0%	2.0%	8.0%	2.0%	1.0%	7.0%	1.0%	-12.0%	1.0%	-10.0%	(15-20%)
North America	0.0%	-3.0%	1.0%	1.0%	0.0%	2.0%	1.0%	-11.0%	-3.0%	-2.0%	-13.0%	-7.0%	-20.0%	(20-25%)
-Under 40 horsepower	-4.0%	-3.0%	-4.0%	-3.0%	-6.0%	-6.0%	-4.0%	-18.0%	-7.0%	-9.0%	-19.0%	-11.0%	-23.0%	-25.0%
-Over 40 horsepower	5.0%	-3.0%	6.0%	6.0%	9.0%	10.0%	7.0%	-3.0%	1.0%	6.0%	-8.0%	-1.0%	-17.0%	(20-25%)
Western Europe	-6.0%	3.0%	2.0%	-2.0%	7.0%	2.0%	3.0%	1.0%	14.0%	1.0%	-8.0%	2.0%	-9.0%	(10-15%)
Latin America	-19.0%	1.0%	17.0%	33.0%	49.0%	44.0%	39.0%	44.0%	31.0%	30.0%	13.0%	29.0%	-17.0%	-25.0%
Rest of world	26.0%	25.0%	-11.0%	6.0%	-4.0%	10.0%	-3.0%	2.0%	8.0%	-3.0%	-20.0%	0.0%	-3.0%	(10-15%)
Combines - world wide	-16.0%	-7.0%	12.0%	15.0%	11.0%	32.0%	21.0%	40.0%	31.0%	54.0%	12.0%	35.0%	-23.0%	(25-30%)
North America	0.0%	-7.0%	13.0%	1.0%	17.0%	19.0%	13.0%	12.0%	22.0%	32.0%	13.0%	21.0%	32.0%	(5-10%)
Western Europe	6.0%	-6.0%	-3.0%	4.0%	0.0%	28.0%	4.0%	16.0%	48.0%	79.0%	15.0%	28.0%	13.0%	(15-20%)
Latin America	-58.0%	-36.0%	32.0%	82.0%	158.0%	106.0%	85.0%	84.0%	114.0%	98.0%	0.0%	56.0%	-46.0%	-45.0%
Rest of world	10.0%	10.0%	21.0%	26.0%	-32.0%	-5.0%	21.0%	55.0%	10.0%	55.0%	29.0%	41.0%	-56.0%	(40-45%)

Source: CNH estimates

Construction equipment industry volume trends

	FY2005	FY2006	1Q07	2Q07	3Q07	4Q07	FY2007		1Q08	2Q08	3Q08	4Q08	FY2008	1Q09	FY2009E
Loader Backhoes - world wide	15.0%	7.0%	18.0%	19.0%	28.0%	25.0%	26.0%	Light equipment * - world wide	-1.0%	-11.0%	-22.0%	-44.0%	-20.0%	-61.0%	(40-45%)
North America	8.0%	-13.0%	-25.0%	-14.0%	-9.0%	-20.0%	-17.0%	North America	-24.0%	-19.0%	-23.0%	-31.0%	-24.0%	-52.0%	(35-40%)
Western Europe	0.0%	-2.0%	35.0%	22.0%	21.0%	12.0%	22.0%	Western Europe	-3.0%	-19.0%	-41.0%	-60.0%	-30.0%	-66.0%	(40-45%)
Latin America	47.0%	37.0%	30.0%	13.0%	37.0%	54.0%	39.0%	Latin America	36.0%	22.0%	31.0%	-16.0%	17.0%	-84.0%	(45-50%)
Rest of world	NA	33.0%	59.0%	60.0%	60.0%	61.0%	68.0%	Rest of world	17.0%	3.0%	-11.0%	-43.0%	-13.0%	-62.0%	(40-45%)
Skid Steer loaders - world wide	4.0%	-5.0%	-6.0%	-5.0%	-1.0%	2.0%	-2.0%	*Includes both loader backhoes and skid steer loaders.							
North America	1.0%	-13.0%	-15.0%	-14.0%	-7.0%	-10.0%	-12.0%								
Western Europe	9.0%	3.0%	0.0%	2.0%	3.0%	-1.0%	4.0%								
Latin America	34.0%	30.0%	34.0%	59.0%	23.0%	79.0%	50.0%								
Rest of world	NA	19.0%	29.0%	12.0%	10.0%	34.0%	25.0%								
Heavy equipment - world wide	8.0%	14.0%	10.0%	13.0%	15.0%	14.0%	16.0%	Heavy equipment - world wide	13.0%	11.0%	3.0%	-27.0%	2.0%	-50.0%	(30-35%)
North America	15.0%	3.0%	-11.0%	-16.0%	-15.0%	-13.0%	-13.0%	North America	-28.0%	-16.0%	-20.0%	-22.0%	-22.0%	-42.0%	(30-35%)
Western Europe	4.0%	13.0%	19.0%	23.0%	21.0%	14.0%	2.0%	Western Europe	16.0%	-5.0%	-42.0%	-59.0%	-24.0%	-73.0%	(45-50%)
Latin America	18.0%	24.0%	35.0%	39.0%	26.0%	33.0%	35.0%	Latin America	32.0%	24.0%	46.0%	-5.0%	28.0%	-81.0%	-45.0%
Rest of world	NA	23.0%	17.0%	28.0%	31.0%	29.0%	31.0%	Rest of world	29.0%	30.0%	25.0%	-20.0%	20.0%	-44.0%	(25-30%)

Source: CNH estimates

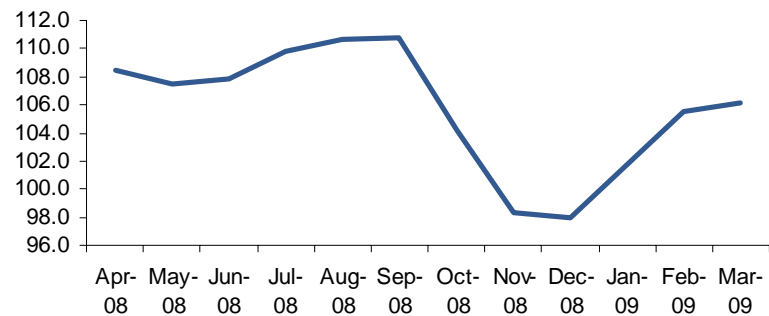
CNH estimates from 1Q09 earnings presentation.

Used car industry overview: prices

	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
Manheim Used Vehicle Index	108.4	107.5	107.8	109.8	110.7	110.8	104.2	98.3	98.0	101.7	105.5	106.1
y-o-y change	-5.1%	-6.3%	-6.2%	-4.4%	-3.8%	-4.3%	-8.5%	-12.2%	-11.1%	-6.8%	-2.4%	-1.5%

Source: Manheim Index

Manheim Used Vehicle Index



Source for all charts on this page: Manheim Index.

Airline/aerospace industry overview

Airline industry data

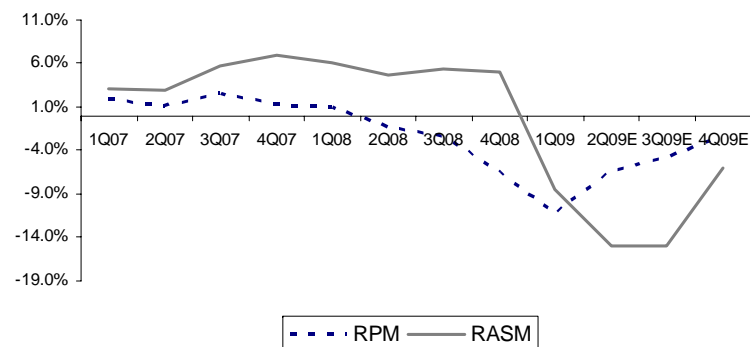
<i>% change y-o-y</i>	RPM	RASM
Annual		
FY2000	5.0%	6.0%
FY2001	-7.9%	-10.9%
FY2002	-4.0%	-4.3%
FY2003	-3.0%	2.9%
FY2004	9.1%	1.0%
FY2005	3.9%	6.0%
FY2006	0.5%	10.0%
FY2007	1.8%	4.7%
Quarterly		
1Q07	1.8%	3.2%
2Q07	1.2%	3.0%
3Q07	2.6%	5.8%
4Q07	1.4%	6.9%
1Q08	1.0%	6.0%
2Q08	-1.3%	4.7%
3Q08	-2.4%	5.5%
4Q08	-6.6%	5.0%
1Q09	-11.2%	-8.4%
Forecast		
2Q09E	-6.4%	-15.0%
3Q09E	-4.8%	-15.0%
4Q09E	-2.4%	-6.0%

Source: ATA, JPMorgan equity research, Senior Analyst Jamie Baker

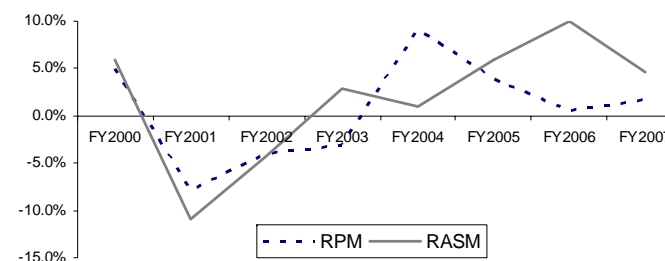
Note: RPM = Revenue Passenger Miles, a proxy for passenger traffic.

RASM = Revenue per Available Seat Miles, proxy for airline profitability.

Airline Industry: RPM and RASM, 1Q07 - 4Q09E



Airline Industry: RPM and RASM, FY2005-2007



Source for all charts on this page: ATA and J.P. Morgan.

OEM aircraft deliveries

Boeing															
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009E	2010E	2011E	2012E	2013E
717	12	32	49	20	12	12	13	5	0	0	0	0	0	0	0
737	324	281	299	223	173	202	212	302	330	290	370	322	275	250	250
747	44	25	31	27	19	15	13	14	16	14	8	6	18	18	18
757	67	45	45	29	14	11	2	0	0	0	0	0	0	0	0
767	44	44	40	35	24	9	10	12	12	10	12	12	12	12	10
777	83	55	61	47	39	36	40	65	83	61	84	70	60	60	60
787	0	0	0	0	0	0	0	0	0	0	0	25	55	80	100
<i>Subtotal</i>	<i>574</i>	<i>482</i>	<i>525</i>	<i>381</i>	<i>281</i>	<i>285</i>	<i>290</i>	<i>398</i>	<i>441</i>	<i>375</i>	<i>474</i>	<i>435</i>	<i>420</i>	<i>420</i>	<i>438</i>
													-11%	-11%	
Airbus															
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E
300/310	8	8	11	9	8	12	9	9	6	0	0	0	0	0	0
A320 Family	222	241	257	236	233	233	289	339	367	386	362	320	280	245	250
330/340	64	62	57	58	64	75	80	86	79	85	85	75	60	45	35
350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
380	0	0	0	0	0	0	0	0	1	12	18	25	28	28	28
<i>Subtotal</i>	<i>294</i>	<i>311</i>	<i>325</i>	<i>303</i>	<i>305</i>	<i>320</i>	<i>378</i>	<i>434</i>	<i>453</i>	<i>483</i>	<i>465</i>	<i>420</i>	<i>368</i>	<i>318</i>	<i>313</i>
															-35%
Other															
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E
<i>E190/5</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>12</i>	<i>43</i>	<i>78</i>	<i>92</i>	<i>82</i>	<i>68</i>	<i>61</i>	<i>74</i>	<i>75</i>
<i>CSeries</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>12</i>	<i>43</i>	<i>78</i>	<i>92</i>	<i>82</i>	<i>68</i>	<i>61</i>	<i>74</i>	<i>76</i>
Total	868	793	850	684	586	605	680	875	972	950	1,021	923	849	812	827

Source: J.P. Morgan Equity Analyst Joe Nadol

Business jet deliveries

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009E	2010E
Bombardier												
Challenger 600 Series	42	38	41	31	24	29	36	29	35	44	38	28
Challenger 300 Series	-	-	-	-	1	28	50	55	51	60	39	32
Challenger 800 Series	-	-	-	-	-	-	5	18	12	17	12	8
Global Express	32	35	30	17	14	20	13	22	25	27	22	13
Global 5000	-	-	-	-	-	4	17	18	23	25	18	16
Learjet 40	-	-	-	-	-	17	21	26	23	21	8	4
Learjet 45 / 45X	43	71	63	27	17	22	28	30	34	27	12	6
Learjet 60	32	35	29	17	12	9	18	15	23	26	11	8
Learjet 85	-	-	-	-	-	-	-	-	-	-	-	-
<i>Discontinued Models</i>	-	-	-	-	-	-	-	-	-	-	-	-
Total	173	207	180	101	70	129	188	213	226	247	160	115
Cessna (Textron)												
Citation Mustang	-	-	-	-	-	-	-	1	45	101	110	100
Citation Jet/CJ1	59	56	61	30	22	20	18	25	34	20	5	4
Citation Jet/CJ2	-	8	41	86	56	27	23	37	44	56	20	18
Citation Jet/CJ3	-	-	-	-	-	6	48	72	78	88	40	35
Citation Encore	-	6	37	36	21	24	17	14	23	28	10	5
Citation Excel/XLS	39	79	85	81	48	55	62	73	82	80	40	35
Citation Sovereign	-	-	-	-	-	9	46	57	65	77	40	35
Citation X	36	37	34	31	18	15	14	12	17	16	10	8
<i>Discontinued Models</i>	-	-	-	-	-	-	-	-	-	-	-	-
Total	216	252	306	305	196	181	249	309	388	466	275	240
Dassault												
Falcon 50/EX	11	18	13	10	8	5	5	5	2	1	-	-
Falcon 900/B/C	8	6	6	4	3	3	1	-	-	-	-	-
Falcon 900DX	-	-	-	-	-	-	2	4	10	4	2	2
Falcon 900EX	16	23	21	17	10	15	16	16	18	19	15	10
Falcon 2000	34	26	35	35	12	11	6	6	1	3	-	-
Falcon 2000EX	-	-	-	-	16	29	21	30	33	24	18	10
Falcon 2000LX	-	-	-	-	-	-	-	-	-	-	9	3
Falcon 7X	-	-	-	-	-	-	-	-	6	21	18	15
<i>Discontinued Series</i>	-	-	-	-	-	-	-	-	-	-	-	-
Total	69	73	75	66	49	63	51	61	70	72	62	40
Embraer												
Phenom 100	-	-	-	-	-	-	-	-	-	2	71	128
Phenom 300	-	-	-	-	-	-	-	-	-	-	5	38
Legacy 600	-	-	-	8	13	13	14	27	35	36	11	12
Lineage 1000	-	-	-	-	-	-	-	-	-	-	3	4
<i>Discontinued Models</i>	-	2	5	-	-	-	-	-	-	-	-	-
Total	-	2	5	8	13	13	14	27	35	38	90	182
Gulfstream (General Dynamics)												
G100 / G150	9	11	5	9	5	9	12	20	32	39	9	10
G200	1	6	25	15	19	13	14	22	27	30	15	12
G250	-	-	-	-	-	-	-	-	-	-	-	-
G300/350	-	-	-	-	8	5	12	12	13	12	12	8
G400 / Gulfstream IV / IVSP	39	37	36	29	13	19	14	16	20	20	17	16
G500	-	-	-	-	1	-	-	-	-	-	-	-
G550 / Gulfstream V	31	34	35	32	28	32	37	43	46	55	44	40
<i>Discontinued Models</i>	-	-	-	-	-	-	-	-	-	-	-	-
Total	80	88	101	85	74	78	89	113	138	156	97	86
HawkerBeechcraft												
Premier I/A	-	-	18	29	29	37	30	23	54	31	17	12
Beechjet 400XP	45	51	25	19	24	28	53	53	41	35	23	15
Hawker 800/850XP/900XP	55	67	55	46	47	50	58	64	67	88	71	56
Hawker 4000	-	-	-	-	-	-	-	-	-	6	10	15
<i>Discontinued Models</i>	-	-	-	-	-	-	-	-	-	-	-	-
Total	100	118	98	94	100	115	141	140	162	160	121	98
Boeing												
BBJ 1/2/3	25	14	16	11	7	3	4	13	7	6	6	5
Airbus												
ACJ/A318 Elite	-	-	5	2	-	-	9	10	12	9	9	8
Other Very Light Jets												30
Grand Total w/o VLJs	638	740	765	659	502	579	732	862	974	1,036	624	533
<i>% change</i>	<i>24%</i>	<i>16%</i>	<i>3%</i>	<i>-14%</i>	<i>-24%</i>	<i>15%</i>	<i>26%</i>	<i>18%</i>	<i>13%</i>	<i>6%</i>	<i>-40%</i>	<i>-15%</i>
Grand Total w/ VLJs	638	740	765	659	502	579	732	863	1,019	1,139	805	791
<i>% change</i>	<i>24%</i>	<i>16%</i>	<i>3%</i>	<i>-14%</i>	<i>-24%</i>	<i>15%</i>	<i>26%</i>	<i>18%</i>	<i>18%</i>	<i>12%</i>	<i>-29%</i>	<i>-2%</i>

Source: J.P. Morgan equity analyst Joe Nadol.

Defense industry overview

Total Investment Acct Outlay Growth (including Supplementals)

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09E	FY10E	FY11E	FY12E	FY13E
Army	18%	12%	8%	6%	27%	21%	26%	26%	9%	3%	-21%	-9%	-15%
Navy	8%	8%	8%	11%	6%	8%	9%	9%	11%	2%	-7%	-3%	-3%
Air Force	3%	14%	16%	14%	4%	3%	4%	5%	12%	5%	-9%	-2%	-1%
DoD	4%	16%	24%	24%	2%	-1%	-2%	7%	19%	5%	-11%	-8%	-3%
Total	7%	12%	13%	13%	8%	7%	9%	11%	12%	3%	-12%	-5%	-5%

Budget Outlays Including supplemental

	Budget Authority	% Growth	Outlays	% Growth
1992	99,798	-6%	109,513	-6%
1993	91,298	-9%	106,904	-2%
1994	78,269	-14%	96,544	-10%
1995	77,506	-1%	89,694	-7%
1996	78,547	1%	85,473	-5%
1997	79,630	1%	84,717	-1%
1998	82,068	3%	85,637	1%
1999	88,874	8%	86,186	1%
2000	94,255	6%	89,306	4%
2001	104,678	11%	95,453	7%
2002	111,965	7%	106,899	12%
2003	137,878	23%	121,027	13%
2004	147,528	7%	136,973	13%
2005	167,845	14%	147,985	8%
2006	178,006	6%	158,385	7%
2007	211,973	19%	172,783	9%
2008	243,565	15%	192,517	11%
2009E	213,713	-12%	215,181	12%
2010E	203,452	-5%	222,626	3%
2011E	181,344	-11%	196,452	-12%
2012E	181,764	0%	186,886	-5%
2013E	182,009	0%	177,880	-5%

Source for all charts on this page: DoD, J.P. Morgan equity senior analyst Joe Nadol.

Commodities and raw materials overview

	FY2007	1Q08	2Q08	3Q08	4Q08	4 wks	3 wks	2 wks	Last 5 trading days					Forecasts					
\$/lb	12/31	3/31	6/30	9/30	12/31	4/7	4/14	4/15	4/22	4/23	4/24	4/27	4/28	2009	2010	2011			
Copper	3.01	3.86	3.94	2.90	1.38	1.97	2.12	2.18	2.06	1.97	2.03	1.97	1.90	1.51	1.67	2.18			
Aluminum	1.07	1.33	1.39	1.08	0.68	0.65	0.67	0.67	0.65	0.64	0.64	0.64	0.64	0.65	0.76	0.82			
\$/US ton																			
Steel (flat roll)	540	580	530	530	580	465	465	450	450	450	450	450	450	n/a	n/a	n/a			
\$/barrell														4/30	5/30	6/30	7/31	8/31	9/30
Crude oil (WTI)	95.98	101.58	140.00	100.64	44.60	49.15	49.41	49.25	48.85	49.62	51.55	50.14	49.92	49.63	50.87	49.56	47.95	47.21	47.42
\$/bushel														1Q09	2Q09	3Q09	4Q09	2009	2010
Corn	4.56	5.67	7.25	4.88	4.07	3.96	3.94	3.85	3.74	3.81	3.77	3.72	3.75	3.76	5.00	4.90	4.70	4.59	5.30
Wheat	8.85	9.29	8.44	6.80	6.11	5.40	5.22	5.15	5.17	5.29	5.32	5.08	5.11	5.52	5.90	5.75	5.60	5.69	5.90
Soybean	9.95	9.67	13.02	8.38	9.02	9.19	9.49	9.52	9.89	9.75	9.76	9.42	9.36	9.40	8.90	8.65	8.75	8.93	9.30

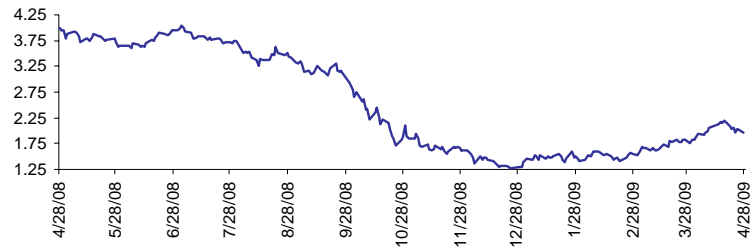
Source: London Metals Exchange, American Metal Association, New York Mercantile Exchange, Chicago Board of Trade, Bloomberg. Forecast by J.P. Morgan Senior Analysts Lewis Hagedorn and Michael Jansen, and Chemical Market Associates.

	FY2007	1Q08	2Q08	3Q08	4Q08	8 mo.	7 mo.	6 mo.	Last 5 months					Forecasts					
\$/pound	12/31	3/31	6/30	9/30	12/31	8/31	9/30	10/31	11/30	12/31	1/31	2/28	3/31	4/30	5/30	6/30	7/31	8/31	9/30
PVC	0.53	0.49	0.50	0.58	0.48	0.58	0.58	0.52	0.50	0.48	0.50	0.51	0.48	0.49	0.52	0.52	0.52	0.52	0.51

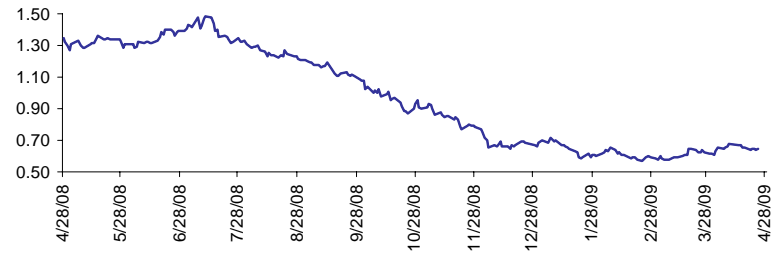
Source: Purchasing Magazine, Chemical Market Associates

Commodities and raw materials charts

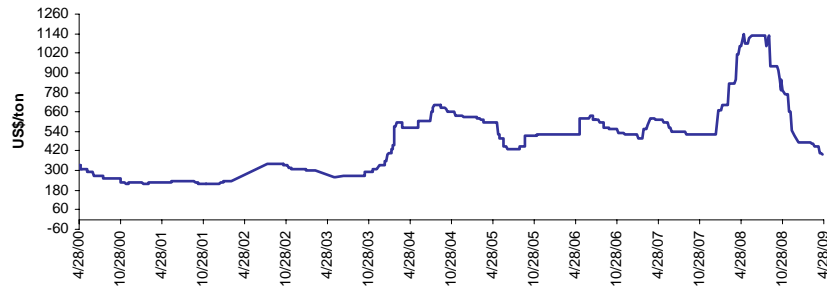
Copper prices (\$/lb)



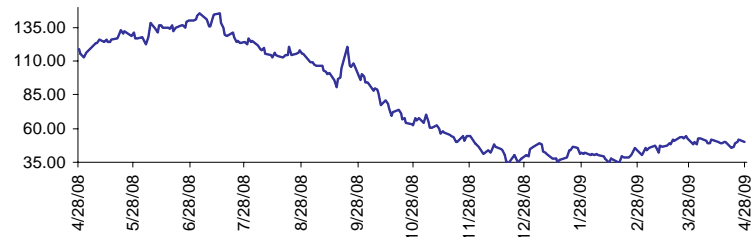
Aluminum prices (\$/lb)



Hot-Rolled Steel prices, 1999 - Today



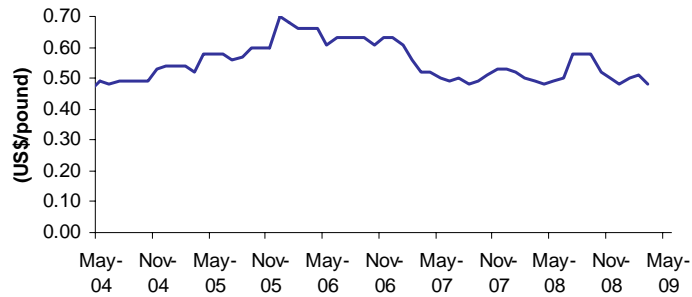
Crude oil prices (\$/barrel)



Source for all charts on this page: J.P. Morgan, Bloomberg.

Commodities and raw materials charts continued

PVC Resin (\$/lb)



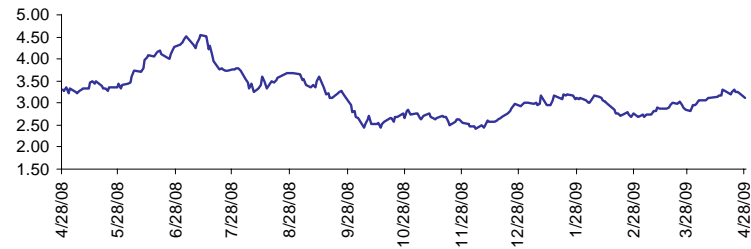
Wheat prices (\$/bushel)



Corn prices (\$/bushel)



Soybean prices (\$/bushel)



Source for all charts on this page: J.P. Morgan, Bloomberg.

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