

Upgrade/Downgrade Scorecard

This Scorecard covers the period from January 1, 2007 through the date noted above. The following list is comprised of actual rating changes announced by Moody's and by Standard & Poor's as well as outlook changes and watch list changes for companies included in the universe of (mostly) investment-grade industrial issuers that make up the reports in Credit Profiles: Update January 2007. Rating changes in the direction predicted in Credit Profiles: Update January 2007 are considered correct calls; rating changes that moved in the opposite direction than the predicted direction are considered misses. In the case where there was no rating change prediction in Credit Profiles: Update January 2007, neither a correct nor incorrect call is counted. A "no call" status means that the statistical variation of the issuer's Composite Score, our rating proxy, from the average for that issuer's current ratings is not great enough to merit a call for a rating change. However, this is not the same as a stable or no rating change prediction. Frequently, issuers will have noticeable improvement or deterioration in their historical operating results that results in a Composite Score that is stronger or weaker than the average for the current ratings, but not strong enough or weak enough for a rating change call by the model. Got that? Good. Check the text area of the FIRC report for a particular company. You may find a statement that suggests a rating change even though the model does not make a call.

The following table provides a summary of rating changes and prediction accuracy for the indicated time periods. The number of observations includes only those for companies where FIRC had a rating change call of upgrade or downgrade.

Period: from	January 1, 2004	June 10, 2004	January 1, 2005	June 16, 2005	January 3, 2006	June 15, 2006
Through	June 9, 2004	December 31, 2004	June 15, 2005	December 31, 2005	June 15, 2006	December 31, 2006
Rating changes	28	34	45	90	86	111
% correct	92.86%	79.41%	100%	97.67%	78.57%	90.63%

The following table details the ratings predictions and subsequent actual ratings-related actions for companies followed by Fixed Income Research Company, Inc. in Credit Profiles: Update January 2007

O=Outlook; W=Watch List; *- = rating on Watch Negative; *+ = rating on Watch Positive

Company	FIRC Call	Moody's			S & P			Score
		From	To	Date	From	To	Date	
Alberto-Culver Co	No call	Baa1 *-	Baa2.stable	1/10/07				
Alcoa Inc.	Downgrade potential	A1 *-	A2.negative	1/19/07				1
Anadarko petroleum Corp	No call	Baa2 *-	Baa3.negative	1/19/07				
Anheuser-Busch Companies	No call	A1 *-	A2.stable	1/16/07				

Inc								
Briggs & Stratton Corp	No call					BBB- *-	BB+.stable	1/23/07
Corn Products Int'l Inc	No call					BBB-.stable	BBB-.positive	1/16/07
Disney (Walt) Co.	No call	A3.stable	A3 *+	1/18/07	A-.stable	A-.positive		1/10/07
Gannett Co Inc	No call	A2 *-	A3.stable	1/18/07				
Health Management Associates	No call					BBB.stable	B+.stable	1/17/07
Hospira Inc	No Call	Baa3 *-	Baa3.negative	1/18/07				
Kraft Foods Inc.	No call					A-.stable	A- *+	1/31/07
Lockheed Martin Corp						BBB+.positive	BBB+ *+	1/26/07
Nike Inc	No call	A2.stable	A2.positive	1/29/07				
Norfolk Southern Corp	No call	Baa1.stable	Baa1.positive	1/29/07				
Office Depot Inc						BBB-.stable	BBB-.positive	1/17/07
Oracle Corp	No call	A3.stable	A3 *+	1/22/07				
United States Steel Corp	No call					BB *+	BB+.stable	1/17/07
Xerox Corp						BB+.stable	BB+.positive	1/30/07
							Total points	1
							<i>misses</i>	0

Missed calls are in bold & italics.

From January 1, 2007 through January 31, 2007 the agencies made 8 rating changes for companies in the Credit Profiles universe. 1 of the 8 changes was correctly called by the model. The 1 correctly called rating change included 0 upgrades and 1 downgrade. 7 of the 7 remaining rating changes were not called as either upgrades or downgrades by the model. 0 rating changes went in the opposite direction from the rating change call made by the model. Total rating changes included 1 upgrade and 7 downgrades. Several outlook changes and watch list changes are also recorded above.

At this time there are 0 missed rating change calls and 1 rating changes correctly called. There was no rating change call on 7 companies that were impacted by at least one rating change. Actual rating changes were called by the model correctly in 1 of 1 cases, for 100% correct calls.

This is the January 31, 2007 Scorecard for **Credit Profiles: Update January 2007**. This is the first and Scorecard based on rating change calls made using reports in **Credit Profiles: Update January 2007**.