HARLEY DAVIDSON INC
Form 424B2
February 04, 2009
Table of Contents

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Debt Securities	$600,000,000	$23,580

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

Table of Contents

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-156060

PROSPECTUS SUPPLEMENT

(To Prospectus dated December 10, 2008)

$600,000,000

HARLEY-DAVIDSON, INC.

15.00% Senior Notes due 2014

The notes will mature on February 1, 2014. Interest on the notes will accrue at the rate of 15.00% per year. Interest on the notes will be payable on June 15 and December 15 of each year, beginning on June 15, 2009. We may redeem the notes, in whole at any time or in part from time to time, at the redemption price set forth in this prospectus supplement.

The notes will be our senior unsecured obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness.

Investing in our securities involves risks. See Risk Factors beginning on page S-13 and the risk factors incorporated by reference from the current report on Form 8-K we filed with the Securities and Exchange Commission on February 2, 2009 for a discussion of certain risk factors that prospective investors should consider before investing in our notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Public Offering Price (1)	Underwriting Discount	Proceeds to Harley-Davidson (Before Expenses)
Per Note	100.00%	0.63%	99.37%
Total	$600,000,000	$3,780,000	$596,220,000

(1) *Plus accrued interest from February 5, 2009, if settlement occurs after such date.*

Currently, there is no public market for the notes. The notes will not be listed on any exchange.

The underwriters expect to deliver the notes to purchasers on or about February 5, 2009, through the book-entry facilities of The Depository Trust Company.

Joint Book-Running Managers

Morgan Stanley *Citi* *Deutsche Bank Securities* *J.P. Morgan*

Co-Managers

BNP PARIBAS *RBS Greenwich Capital*

February 3, 2009

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

ABOUT THIS PROSPECTUS SUPPLEMENT

This document has two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which provides more general information, some of which may not apply to this offering. You should read the entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated by reference that are described under Where You Can Find More Information in this prospectus supplement. In the event that the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus supplement, the accompanying prospectus or the information we previously filed with the Securities and Exchange Commission, or SEC, that we incorporate by reference in this prospectus supplement or the accompanying prospectus, is accurate as of any date other than its respective date. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless we otherwise indicate or unless the context requires otherwise, all references in this prospectus supplement to we, our, us or similar references mean Harley-Davidson, Inc. and its consolidated subsidiaries.

Our principal executive offices are located at 3700 West Juneau Avenue, Milwaukee, Wisconsin, 53208, and our telephone number is (414) 342-4680.

Harley-Davidson, Motor Clothes and Buell are among the trademarks of H-D Michigan, LLC, one of our subsidiaries. This prospectus supplement and the accompanying prospectus may also contain trademarks, service marks, copyrights and trade names of other companies.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

We intend that certain matters discussed in this prospectus supplement and the accompanying prospectus are forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement will include words such as we believe, anticipate, expect, plan, or estimate or words of similar meaning. Similarly, statements that describe future plans, objectives, outlooks, targets, guidance or goals are also forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our current expectations. Some of those risks and uncertainties are described below. We urge you to consider these factors in evaluating the forward-looking statements and we caution you not to place undue reliance on the forward-looking statements. The forward-looking statements contained or incorporated by reference in this prospectus supplement and the accompanying prospectus are only made as of the date of this prospectus supplement or the date of the applicable incorporated document, and we disclaim any obligation to publicly update the forward-looking statements to reflect subsequent events or circumstances.

Our ability to meet the targets and expectations reflected in our forward-looking statements depends upon, among other factors, our ability to:

- effectively execute our restructuring plans within expected costs;
- manage the risks that our independent dealers may have difficulty adjusting to the recession and slowdown in consumer demand;
- manage supply chain issues;

anticipate the level of consumer confidence in the economy;

continue to have access to reliable sources of capital funding in sufficient amounts and adjust to fluctuations in the cost of capital;

maintain credit ratings that allow us access to capital at effective rates;

manage the credit quality, the loan servicing and collection activities, and the recovery rates of the loan portfolio of Harley-Davidson Financial Services, Inc.;

continue to realize production efficiencies at our production facilities and manage operating costs including materials, labor and overhead;

manage production capacity and production changes;

- provide products, services and experiences that are successful in the marketplace;
- develop and implement sales and marketing plans that retain existing retail customers and attract new retail customers in an increasingly competitive marketplace;
- sell all of our motorcycles and related products and services to our independent dealers;
- continue to develop the capabilities of our distributor and dealer network;
- manage changes and prepare for requirements in legislative and regulatory environments for our products, services and operations;
- adjust to fluctuations in foreign currency exchange rates, interest rates and commodity prices;
- adjust to healthcare inflation, pension reform and tax changes;
- retain and attract talented employees, including executive officers;
- detect any issues with our motorcycles or manufacturing processes to avoid delays in new model launches, recall campaigns, increased warranty costs or litigation;
- implement and manage enterprise-wide information technology solutions and secure data contained in those systems; and
- successfully integrate and profitably operate MV Agusta.

In addition, we could experience delays or disruptions in our operations as a result of work stoppages, strikes, natural causes, terrorism or other factors. Other factors are described in the current report on Form 8-K we filed with the Securities and Exchange Commission on February 2, 2009, which is incorporated by reference into this prospectus supplement. Many of these risk factors are impacted by the current turbulent capital, credit and retail markets and our ability to adjust to the recession.

Our ability to sell our motorcycles and related products and services and to meet our financial expectations also depends on the ability of our independent dealers to sell our motorcycles and related products and services to retail customers. We depend on the capability and financial capacity of our independent dealers and distributors to develop and implement effective retail sales plans to create demand for the motorcycles and related products and services they purchase from us. In addition, our independent dealers and distributors may experience difficulties in operating their businesses and selling Harley-Davidson motorcycles and related products and services as a result of weather, economic conditions or other factors.

Table of Contents

SUMMARY

This summary provides an overview of the company and its subsidiaries and certain key aspects of the offering. This summary is not complete and does not contain all of the information you should consider before purchasing our notes. Before purchasing our notes, you should read carefully all of the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including Risk Factors.

Our Company

Harley-Davidson, Inc. is the only major American motorcycle manufacturer and the parent company for the groups of companies doing business as Harley-Davidson Motor Company, or HDMC, Buell Motorcycle Company, or Buell, MV Agusta, or MV, and Harley-Davidson Financial Services, Inc., or HDFS. We are a holding company, and we conduct substantially all of our operations through subsidiaries and expect that we will continue to do so. We operate in two segments: Motorcycles and Related Products and Financial Services.

The primary business of our Motorcycles and Related Products, or Motorcycles, segment is to design, manufacture and sell at wholesale premium motorcycles primarily for the heavyweight (engine displacement of 651+cc) motorcycle market. The Motorcycles segment includes the groups of companies doing business as HDMC, Buell and MV. We are best known for our Harley-Davidson® motorcycle products, but we also offer lines of motorcycles under the Buell, MV Agusta and Cagiva brand names. In addition to motorcycles, the Motorcycles segment offers motorcycle parts, accessories, general merchandise and related services. We conduct business on a global basis with sales and operations primarily in four regions: North America, Europe, Asia/Pacific and Latin America.

Our Financial Services segment consists of HDFS and its subsidiaries, which provide wholesale and retail financing and insurance and insurance-related programs primarily to Harley-Davidson and Buell dealers and their retail customers. HDFS conducts business in the United States and Canada.

RECENT DEVELOPMENTS

Results and Financial Condition as of and for the Year Ended December 31, 2008

As of and for the Year Ended December 31, 2008 (unaudited)

Our 2008 results were impacted by the difficult economic environment, including lower consumer confidence and the significant disruptions in global capital markets. For the full year of 2008, our revenue totaled $5.59 billion, down 2.3 percent from $5.73 billion in 2007. Our 2008 net income was $654.7 million, compared to $933.8 million in 2007.

Harley-Davidson motorcycle revenue was $4.28 billion in 2008, down 3.8 percent compared to $4.45 billion in 2007. Shipments of Harley-Davidson motorcycles in 2008 were 303,479 units, compared to 330,619 units in 2007. Our shipments in the U.S. in 2008 continued to be negatively impacted by the challenging economic environment. Our shipments in international markets grew during 2008, and the percentage of units shipped to international customers increased, consistent with our strategic focus on global markets.

Our revenue from Parts & Accessories, which consists of Genuine Motor Parts and Genuine Motor Accessories, was $858.7 million in 2008, down 1.1 percent compared to $868.3 million in 2007. Revenue from General Merchandise, which consists of MotorClothes® apparel and collectibles, increased to $313.8 million in 2008, a 2.8 percent increase compared to $305.4 million in 2007.

Table of Contents

HDFS operating income was $82.8 million in 2008, a 61.0 percent decrease from $212.2 million in 2007. Interest income benefited from higher average retail outstanding receivables, partially offset by lower wholesale lending rates and slightly lower average wholesale outstanding receivables. Interest expense was higher due to increased borrowings to support growth in outstanding retail receivables, partially offset by lower borrowing rates. The increase in retail receivables outstanding was driven by a reduction in asset-backed securitization activity in 2008 due to capital market volatility. The increase in operating expenses was primarily due to an increase in the provision for credit losses.

HDFS other income decreased during 2008 as compared to 2007 primarily due to a $37.8 million charge to earnings from the lower of cost or market value of its finance receivables held for sale. The decline in fair value below cost was due to higher projected credit losses, increased funding costs and an increased discount rate in the fourth quarter of 2008 from 12 percent to 18 percent.

Income from securitizations during 2008 was lower as compared to 2007 due to a $41.4 million write-down of certain retained interests during 2008, the loss on the first quarter 2008 securitization transaction and the reduction in asset-backed securitization activity in 2008. This compares to a $9.9 million write-down of certain retained interests in 2007.

Annualized losses on HDFS managed retail motorcycle loans were 2.30 percent in 2008 compared to 1.91 percent for 2007. The 30-day delinquency rate for managed retail motorcycle loans at December 31, 2008 increased to 6.29 percent from 6.15 percent at December 31, 2007. Managed retail loans include loans held by HDFS as well as those sold through securitization transactions. The increase in losses was primarily due to a higher incidence of loss resulting from an increase in delinquent accounts. We expect that HDFS will continue to experience higher delinquencies and credit losses as a percentage of managed retail motorcycle loans in 2009 as compared to 2008.

We had total assets of $7,829 million as of December 31, 2008, compared to $5,657 million as of December 31, 2007. Our long-term debt and total debt as of December 31, 2008 were $2,176 million and $3,915 million, respectively, compared to $980 million and $2,100 million, respectively as of December 31, 2007.

Our cash and marketable securities totaled $593.6 million as of December 31, 2008 compared to $405.3 million in 2007. Cash used by operations in 2008 was $684.6 million compared to cash provided by operations of $798.1 million in 2007. The decrease in operating cash flow from 2007 to 2008 was due primarily to lower securitization proceeds. Proceeds from the sale of retail finance receivables resulted in cash inflows of $467.7 million and $2.49 billion during 2008 and 2007, respectively. During 2008, HDFS funded a greater percentage of its business with proceeds from unsecured commercial paper, medium-term notes and a newly-created asset-backed commercial paper conduit facility than it did in 2007. See Short-term Indebtedness and Sources of Liquidity.

As of and for the Quarter Ended December 31, 2008 (unaudited)

Our 2008 fourth quarter results were also impacted by the difficult economic environment. Our revenue for the 2008 fourth quarter was $1.29 billion compared to $1.39 billion in the 2007 fourth quarter, a 6.8 percent decrease. Net income for the 2008 fourth quarter was $77.8 million compared to $186.1 million in the fourth quarter 2007, a decrease of 58.2 percent.

Revenue from Harley-Davidson motorcycles was $1.02 billion for the 2008 fourth quarter, a decrease of $95.4 million or 8.5 percent compared to the 2007 fourth quarter. Shipments of Harley-Davidson motorcycles totaled 76,581 units for the 2008 fourth quarter, down 4,625 units or 5.7 percent compared to the 2007 fourth quarter.

Table of Contents

Revenue from Parts and Accessories totaled $152.1 million for the 2008 fourth quarter, lower by $13.1 million or 7.9 percent compared to the 2007 fourth quarter. Revenue from General Merchandise totaled $69.0 million for the 2008 fourth quarter, a decline of $4.4 million or 6.0 percent from the 2007 fourth quarter.

HDFS recorded an operating loss of $24.9 million for the 2008 fourth quarter, $63.5 million lower than the operating income in the 2007 fourth quarter. The decrease was primarily due to a $35.1 million write-down of retained securitization interests and a $28.4 million write-down to fair value of finance receivables held for sale. The write-downs were due to higher projected credit losses and an increase in the discount rate used for the valuation of receivables.

Restructuring

In light of the impact of the recession and worldwide slowdown in consumer demand, on January 23, 2009, we announced that we plan to lower motorcycle shipments in 2009 and made public our overall strategy to deal with the current economic environment. That strategy includes adjusting the cost structure of our business. As a result of motorcycle volume reduction and our commitment to improve our cost structure, we plan to:

- consolidate our two engine and transmission plants in the Milwaukee area into our facility in Menomonee Falls, Wisconsin;
- consolidate York paint and frame operations at our assembly facility in York, Pennsylvania;
- close our distribution facility in Franklin, Wisconsin, consolidating Parts and Accessories and General Merchandise distribution through a third party; and
- discontinue our domestic transportation fleet operation.

We plan to implement these actions through 2009 and 2010. We also plan reductions in selling, general and administrative costs.

We expect the planned volume reduction, restructuring and cost reduction actions to result in the elimination of approximately 1,100 jobs over 2009 and 2010, including about 800 hourly production positions and about 300 non-production, primarily salaried positions. We expect that approximately 800 positions 500 hourly production and 300 non-production of the total 1,100 will be eliminated in 2009, with all but approximately 100 of these reductions occurring in the first half of the year.

We expect the volume reduction and changes to operations to result in aggregate one-time charges of approximately $110 million to $140 million over 2009 and 2010. At the low end of the range, approximately $36 million of these charges will involve one-time employee termination costs (including pension curtailment charges), approximately $22 million will involve accelerated depreciation charges to depreciate affected long-lived assets to their estimated salvage value, and approximately $52 million will involve other costs to close and consolidate facilities. The difference between the low end and high end of the range relates to uncertainty surrounding the cost and execution of these actions. Of the aggregate charges, we expect that approximately 75 percent will result in cash expenditures, although the timing of the expenditures will vary, and approximately 25 percent will be non-cash. We expect to record between $80 and $100 million of these costs in

2009 with $30 to $40 million in the first quarter of 2009. We expect that we will record the remaining restructuring costs, between $30 and $40 million, in 2010.

Short-term Indebtedness and Sources of Liquidity

On December 12, 2008, two indirect wholly owned subsidiaries of HDFS Harley-Davidson Warehouse Funding Corp., which we refer to as the borrower, and Harley-Davidson Credit Corp., which we refer to as the servicer entered into a loan and servicing agreement with a group of conduit lenders and committed lenders and

Table of Contents

JPMorgan Chase Bank, N.A., as program agent. We refer to this arrangement as our $500 million asset-backed commercial paper conduit facility. Under a receivables sale agreement between the servicer, as seller, and the borrower, which is a bankruptcy-remote special purpose entity, the servicer conveyed a portfolio of receivables arising from retail sales of motorcycles and certain other assets to the borrower in exchange for cash. Under the loan and servicing agreement, the borrower granted a security interest in the receivables to the program agent to secure the repayment of a one-time $500 million advance that the conduit lenders made to the borrower at the time of the closing of the loan and servicing agreement. The borrower applied the proceeds of such advance to pay the cash portion of the purchase price for the receivables to the servicer under the sale agreement. The servicer used approximately $400 million of the net proceeds from the conduit transaction to repay medium term notes that matured in December 2008. The conduit lenders under the loan and servicing agreement funded the advance by issuing commercial paper. Unless earlier terminated or extended by the mutual agreement of the borrower and the lenders, the loan and servicing agreement will expire on March 31, 2009, at which time the borrower will be obligated to repay the $500 million advance in full. The loan and servicing agreement does not result in an off-balance sheet arrangement for us, and therefore, the $500 million advance will be treated as short-term debt on our consolidated balance sheet as of December 31, 2008.

We and HDFS are parties to two credit facilities: a $950.0 million 364-day facility, which expires in July 2009, and a $950.0 million three-year facility, which expires in July 2011. The credit facilities are committed facilities, and we use them primarily to support HDFS unsecured commercial paper program and to fund HDFS lending activities and other operations. As a result of the credit facilities, HDFS has the capacity to issue unsecured commercial paper in the aggregate equal to the unused portion of the credit facilities. Outstanding unsecured commercial paper may not exceed the unused portion of the credit facilities. Commercial paper maturities may range up to 365 days from the issuance date. At December 31, 2008, $390.9 million was outstanding under the credit facilities, and we had unsecured commercial paper borrowings of $1,416.4 million, which the facilities supported and which reduced availability for borrowing under the facilities.

Since October 2008, we have been issuing commercial paper under the Federal Reserve Bank s Commercial Paper Funding Facility (CPFF). The CPFF is scheduled to expire on April 30, 2009, unless extended by the Board of Governors of the Federal Reserve System. While the CPFF remains in effect, we may issue commercial paper under it having a maturity of 90 days from the time of issuance up to a maximum of $1,350.1 million outstanding at any time so long as HDFS short term debt ratings continue to satisfy the CPFF s minimum ratings requirements. On January 16, 2009, Standard & Poor s Rating Service, or S&P, reduced our long-term debt rating to BBB+ and HDFS short-term debt rating to A2. On January 30, 2009, Fitch Ratings, or Fitch, put us and HDFS on credit watch negative. Our long-term debt and HDFS short-term debt are currently rated A and F1, respectively, by Fitch. We are currently in discussions with Moody s Investors Services, or Moody s, which currently rates HDFS short-term debt P-1. If either Fitch or Moody s reduces HDFS short-term debt rating, we would no longer be able to issue commercial paper under the CPFF. If we are unable to issue commercial paper under the CPFF, either because the CPFF expires or because of a reduction in HFDS short-term debt rating, we would need to finance the repayment of the commercial paper as it matured through other means, such as borrowing under our credit facilities.

Based on our updated volume scenarios and projections, we believe HDFS funding requirements in 2009 will be approximately $1.0 billion in addition to amounts that may become due in July 2009 under the 364-day credit facility or on March 31, 2009 under the $500 million asset-backed commercial paper conduit facility, in each case to the extent that we are unable to extend or replace the facility. We have identified three preferred options to support HDFS funding requirements. The first is for HDFS or us to access the unsecured debt capital markets, including raising approximately $600 million through this offering. The second option is to increase the $500 million asset-backed commercial paper conduit facility and extend the term beyond the current March 31, 2009 maturity date. Third, we are working to gain access to the asset-backed securitization market through the Federal Reserve Bank s Term Asset-backed securities Loan Facility or TALF program. We are researching the program and determining how we may benefit from it. Retail motorcycle loans have been included as eligible

Table of Contents

assets in the program; however, exact details of the TALF program are not yet finalized. No assurance can be given that our efforts to pursue these options will be successful, and if such efforts are not successful, we will need to consider other alternatives. In addition, the shelf registration statement we filed with the SEC in December 2008 may provide additional flexibility as needed.

Executive Changes

On December 9, 2008, our President and Chief Executive Officer, James L. Ziemer, informed our board of directors that he intends to retire in 2009, capping a 40-year career with us. Our board of directors has formed a search committee to review both internal and external candidates. Mr. Ziemer will remain in his current role until a new CEO is in place.

On January 8, 2009, we announced that our Chief Financial Officer, Tom Bergmann, was taking on the added responsibility of interim President of HDFS. The appointment followed HDFS President Sy Naqvi s personal decision to resign. Mr. Bergmann will serve as interim HDFS President while we conduct an external search.

Table of Contents

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

Our annual historical information is derived from our audited consolidated financial statements as of and for each of the five years identified below. The information as of and for the nine months ended September 28, 2008, and September 30, 2007 has been derived from our unaudited interim consolidated financial statements and, in the opinion of our management, includes all normal and recurring adjustments that are considered necessary for the fair presentation of the results for such interim periods. The information is only a summary and should be read in conjunction with the consolidated financial statements included in: (1) our annual report on Form 10-K for the year ended December 31, 2007, and (2) our quarterly report on Form 10-Q for the period ended September 28, 2008, both of which have been incorporated by reference into this prospectus supplement, as well as other information that we have filed with the SEC. The historical results included below are not necessarily indicative of our future performance. Results for the nine months ended September 28, 2008 are not necessarily indicative of the results for the full year.

	As of and for the nine months ended (unaudited) (in thousands)		**As of and for the year ended December 31,** (in thousands)				
	September 28, 2008	**September 30, 2007**	**2007**	**2006**	**2005**	**2004**	**2003**
Income statement data:							
Net revenue	$ 4,301,716	$ 4,340,494	$ 5,726,848	$ 5,800,686	$ 5,342,214	$ 5,015,190	$ 4,624,274
Cost of goods sold	2,779,583	2,720,928	3,612,748	3,567,839	3,301,715	3,115,655	2,958,708
Gross profit	1,522,133	1,619,566	2,144,100	2,232,847	2,040,499	1,899,535	1,665,566
Financial services income	312,095	319,964	416,196	384,891	331,618	305,262	279,459
Financial services expense	204,408	146,349	204,027	174,167	139,998	116,662	111,586
Operating income from financial services	107,687	173,615	212,169	210,724	191,620	188,600	167,873
Selling, administrative and engineering expense	724,902	653,275	900,708	846,418	767,157	731,750	690,492
Income from operations	904,918	1,139,906	1,425,561	1,597,153	1,464,962	1,356,385	1,142,947
Investment income, net	7,033	19,432	22,258	27,087	22,797	23,101	23,088
Interest expense	1,226						
Income before provision for income taxes	910,725	1,159,338	1,447,819	1,624,240	1,487,759	1,379,486	1,166,035
Provision for income taxes	333,816	411,572	513,976	581,087	528,155	489,720	405,107
Net income	$ 576,909	$ 747,766	$ 933,843	$ 1,043,153	$ 959,604	$ 889,766	$ 760,928
Balance sheet data:							
Finance receivables held for sale	$ 2,245,015[1]	$ 431,843	$ 781,280	$ 547,106	$ 299,373	$ 456,516	$ 347,112
Finance receivables held for investment, net	2,021,279	2,136,728	2,420,327	2,280,217	1,943,224	1,655,784	1,390,737
Total assets	7,199,737	4,970,960	5,656,606	5,532,150	5,255,209	5,483,293	4,923,088
Current debt	1,138,982	250,168	1,119,955	832,491	204,973	495,441	324,305
Long-term debt	2,033,000	980,000	980,000	870,000	1,000,000	800,000	670,000
Total debt	3,171,982	1,230,168	2,099,955	1,702,491	1,204,973	1,295,441	994,305
Shareholders equity	2,500,359	2,363,003	2,375,491	2,756,737	3,083,605	3,218,471	2,957,692

1 The increase in financial receivables held for sale as of September 28, 2008 compared to September 30, 2007 was due primarily to a reduction in asset backed securitization activity in 2008 due to capital market volatility.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

	Nine Months Ended September 28, 2008	Years Ended December 31, 2007	2006	2005	2004	2003
Ratios of earnings to fixed charges	10.7x	18.2x	27.1x	40.2x		