

CONSOLIDATED FINANCIAL STATEMENTS

Marubeni America Corporation
Years Ended December 31, 2009 and 2008
With Report of Independent Auditors

Marubeni America Corporation
Consolidated Financial Statements
Years Ended December 31, 2009 and 2008

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Report of Independent Auditors

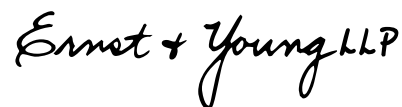
The Board of Directors and Shareholder
Marubeni America Corporation

We have audited the accompanying consolidated balance sheets of Marubeni America Corporation (the “Company”) as of December 31, 2009 and 2008, and the related consolidated statements of income, shareholder’s equity and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2009 and 2008, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the consolidated financial statements, on January 1, 2009 the Company adopted the guidance originally issued in Statement of Financial Accounting Standard No. 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51* codified in the Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 810.



March 25, 2010

Marubeni America Corporation

Consolidated Balance Sheets

	December 31	
	2009	2008
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 437,844	\$ 196,911
Short-term investments	–	250
Accounts and notes receivable – customers, net of allowance for doubtful accounts of \$9,521 in 2009 and \$5,924 in 2008	377,296	338,027
Receivables from parent and affiliates	310,794	316,375
Inventory	621,262	821,459
Advance payments to suppliers	279,698	248,798
Deferred income taxes	–	13,763
Other current assets	198,459	115,138
Total current assets	<u>2,225,353</u>	<u>2,050,721</u>
Investments and long-term receivables:		
Investments:		
Affiliated companies, at equity	84,560	92,206
Other	48,930	44,681
Long-term accounts and notes receivable – customers, net of allowance for doubtful accounts of \$7,180 in 2009 and \$6,055 in 2008	350,727	331,134
Total investments and long-term receivables	<u>484,217</u>	<u>468,021</u>
Due from parent and affiliates	69,108	76,144
Property, plant, equipment and leasehold improvements, at cost, less accumulated depreciation and amortization of \$183,314 in 2009 and \$167,898 in 2008	264,149	303,992
Goodwill	90,988	89,979
Intangible assets and other, net	69,901	83,147
Total assets	<u><u>\$ 3,203,716</u></u>	<u><u>\$ 3,072,004</u></u>

	December 31	
	2009	2008
	<i>(In Thousands)</i>	
Liabilities and shareholder's equity		
Current liabilities:		
Short-term loans	\$ 90,882	\$ 173,971
Acceptances payable to banks	7,393	10,296
Accounts payable	604,831	513,448
Advance payments from customers	241,464	216,654
Payables to parent and affiliates	413,407	310,340
Accrued expenses and other	267,887	338,198
Deferred income taxes	2,127	–
Long-term debt due within one year	234,068	137,270
Total current liabilities	1,862,059	1,700,177
Long-term debt	480,835	608,358
Deferred income taxes	40,983	12,269
Other noncurrent liabilities	66,033	85,376
Commitments and contingencies		
Marubeni America Corporation shareholder's equity:		
Common stock, without par value; 5,000 shares authorized, 3,533 shares issued and outstanding	353,273	353,273
Additional paid-in capital	18,465	18,465
Retained earnings	319,765	252,005
Accumulated other comprehensive loss	(43,429)	(56,496)
Total Marubeni America Corporation shareholder's equity	648,074	567,247
Noncontrolling interests	105,732	98,577
Total equity	753,806	665,824
Total liabilities and shareholder's equity	\$ 3,203,716	\$ 3,072,004

See accompanying notes.

Marubeni America Corporation
Consolidated Statements of Income

	Year Ended December 31	
	2009	2008
	<i>(In Thousands)</i>	
Revenues (total volume of trading transactions: \$10,479,338 in 2009 and \$10,735,835 in 2008	\$ 3,668,004	\$ 4,133,910
Cost of revenues	2,896,933	3,261,900
Gross trading profit	771,071	872,010
Equity in net income of affiliated companies	4,768	13,852
	775,839	885,862
Interest expense – net of interest income of \$ 18,868 in 2009 and \$22,896 in 2008	10,477	29,051
Other expense – net	7,461	21,989
Selling, general and administrative expenses	613,030	611,270
	630,968	662,310
Income before provision for income taxes	144,871	223,552
Provision for income taxes	62,800	87,500
Net income	82,071	136,052
Less: Net income attributable to noncontrolling interests	14,311	23,359
Net income attributable to Marubeni America Corporation	\$ 67,760	\$ 112,693

See accompanying notes.

Marubeni America Corporation

Consolidated Statements of Shareholder's Equity

Years Ended December 31, 2009 and 2008

Marubeni America Corporation Shareholder						
	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
<i>(In Thousands)</i>						
Balance at December 31, 2007	\$ 353,273	\$ 18,277	\$ 139,312	\$ (7,996)	\$ 77,850	\$ 580,716
Comprehensive income:						
Net income	-	-	112,693	-	23,359	136,052
Other comprehensive income:						
Unrealized losses on available-for-sale securities, net of income tax	-	-	-	(1,434)	(12)	(1,446)
Change in fair value of derivative financial instruments, net of income tax	-	-	-	(4,636)	-	(4,636)
Translation adjustment	-	-	-	(7,376)	(1,391)	(8,767)
Change in pension and postretirement funded status, net of income tax	-	-	-	(35,054)	(5,249)	(40,303)
Other comprehensive income						<u>(55,152)</u>
Comprehensive income						80,900
Additional investment in affiliates	-	-	-	-	10,828	10,828
Dividends	-	-	-	-	(6,889)	(6,889)
Others	-	-	-	-	81	81
Gain on capital contribution to subsidiary by parent	-	188	-	-	-	188
Balance at December 31, 2008	353,273	18,465	252,005	(56,496)	98,577	665,824
Comprehensive income:						
Net income	-	-	67,760	-	14,311	82,071
Other comprehensive income:						
Unrealized gains on available-for-sale securities, net of income tax	-	-	-	555	-	555
Change in fair value of derivative financial instruments, net of income tax	-	-	-	3,891	-	3,891
Translation adjustment	-	-	-	6,270	880	7,150
Change in pension and postretirement funded status, net of income tax	-	-	-	2,351	313	2,664
Other comprehensive income						<u>14,260</u>
Comprehensive income						96,331
Purchase of noncontrolling interest	-	-	-	-	(1,635)	(1,635)
Dividends	-	-	-	-	(6,714)	(6,714)
Balance at December 31, 2009	<u>\$ 353,273</u>	<u>\$ 18,465</u>	<u>\$ 319,765</u>	<u>\$ (43,429)</u>	<u>\$ 105,732</u>	<u>\$ 753,806</u>

See accompanying notes

Marubeni America Corporation
Consolidated Statements of Cash Flows

	Year Ended December 31	
	2009	2008
	<i>(In Thousands)</i>	
Cash flows from operating activities		
Net income	\$ 82,071	\$ 136,052
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	36,804	38,520
Deferred income taxes	33,900	6,100
Bad debt expense and other noncash charges	40,559	30,722
Lower of cost or market write-down	21,400	78,125
Net gain on sale of investments and businesses	(3,153)	(5,156)
Net loss on sale of property, plant and equipment	(577)	833
Equity in net income of affiliated companies	(4,768)	(13,852)
Changes in operating assets and liabilities:		
Accounts and notes receivable – customers and affiliates	(36,899)	190,636
Inventory	180,296	(198,061)
Other assets	(107,853)	(24,501)
Accounts payable – customers and affiliates	61,821	(158,718)
Other liabilities	71,520	158,009
Net cash provided by operating activities	375,121	238,709
Cash flows from investing activities		
Net decrease (increase) in investments	12,278	(12,719)
Net decrease (increase) in short-term notes receivable – customers and affiliates	44,312	(42,556)
Increase in long-term accounts and notes receivable – customers and affiliates	(335,661)	(327,507)
Collection and sales of long-term accounts and notes receivable – customers and affiliates	265,036	191,892
Acquisition of property, plant, equipment and leasehold improvements	(55,888)	(71,037)
Proceeds from sale of property, plant and equipment	60,396	99,956
Proceeds from sale of investments in affiliates	–	5,056
Business acquisitions	(6,750)	(36,515)
Net cash used in investing activities	(16,277)	(193,430)
Cash flows from financing activities		
Net decrease in short-term loans	(83,089)	(139,586)
Long-term borrowings	114,410	147,648
Repayments of long-term debt	(149,232)	(85,162)
Net cash used in used in financing activities	(117,911)	(77,100)
Net increase (decrease) in cash and cash equivalents	240,933	(31,821)
Cash and cash equivalents at beginning of year	196,911	228,732
Cash and cash equivalents at end of year	\$ 437,844	\$ 196,911
Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest	\$ 31,944	\$ 58,248
Income taxes	\$ 35,568	\$ 81,096

See accompanying notes.

Marubeni America Corporation

Notes to Consolidated Financial Statements

December 31, 2009

(In Thousands)

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Marubeni America Corporation and all of its majority-owned subsidiaries (collectively, the “Company”). All significant intercompany accounts and transactions have been eliminated in consolidation. The equity method of accounting is used for investments in companies in which the Company has an interest of 50% or less and for which the Company has significant influence over operating and financial policies.

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition and Total Volume of Transactions

The Company conducts export, import and domestic and offshore trading of a wide variety of industrial, agricultural and consumer products and also is involved in the related production process from planning, investment and research and development to production, distribution and marketing.

Transactions to which the Company is a party take many forms depending upon local practice, preferences of the parties and legal considerations. Such transactions consist of sales in which the Company acts as principal and transactions in which the Company acts as agent.

Although the Company legally acts as a principal, certain transactions are reported net, as commissions, when the margins thereon are in substance considered commissions in accordance with the consensus reached in FASB ASC 605-45 *Principal Agent Considerations*.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

When the Company is not the primary obligor and does not have inventory risk, it generally presents the transaction net. The presentation may change according to changes in form or substance of transactions.

The total volume of trading transactions, which is disclosed in the accompanying consolidated statements of income, includes the sales value of all transactions in which the Company participates, regardless of the form of such transaction.

In acting as principal, the Company recognizes revenue when the delivery conditions are met. These conditions are considered to have been met when the goods are received by the customer or title to the goods is transferred to the customer. In acting as agent, the Company recognizes commissions when contracted services are fully rendered to the customers.

Shipping and Handling Costs

Shipping and handling costs are included in cost of revenues in the accompanying consolidated statements of income.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments with a maturity of three months or less when purchased to be cash equivalents.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

Sales of Accounts Receivable

The Company enters into transactions to sell substantially all of its trade accounts receivable, that meet certain criteria, and retains a subordinated interest and servicing rights of a certain subsidiary. Losses on the sale of receivables are based on the carrying value of the assets sold, allocated in proportion to their fair value. Retained interests are determined based on the relative fair value of the assets sold and the assets retained, and are included in other current assets in the accompanying consolidated balance sheets. The Company generally estimates fair value based on the present value of expected future cash flows of the underlying receivables less management's best estimates of uncollectible accounts receivable. The Company maintains an allowance for doubtful accounts receivable based upon the collectability of all trade receivables. The allowance is reviewed regularly and adjusted for accounts deemed uncollectible by the Company. Expenses and losses associated with such sales are included in other expense – net in the accompanying consolidated statements of income.

Inventory

Inventory consists of commodities and merchandise and is valued at the lower of cost or market. Cost is based principally on either the first-in, first-out method, specific identification, or average unit prices. Declines in the market resulted in a lower cost or market write-down of \$21,400 and \$78,125 at December 31, 2009 and 2008, respectively.

Investment in Equity Securities

The Company has investments in marketable equity securities which are classified as available-for-sale securities and cost-method investments. Investments classified as available-for-sale are carried at fair value, with the unrealized gains and losses, net of tax, reported as other comprehensive income within shareholder's equity. The cost-method investments are stated at cost, adjusted for any declines in value judged to be other-than-temporary. The cost of securities sold is based on the specific cost method. The fair value of the Company's cost-method

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

investments is not readily determinable. For the years ended December 31, 2009 and 2008, the Company incurred write-downs of \$1,217 and \$17,606, respectively, to reduce the carrying value of certain investments that experienced other-than-temporary impairments. The portion of these charges relating to publicly traded securities was \$14,956 in 2008. The portion of these charges related to cost-method investments was \$1,217 in 2009 and \$2,650 in 2008. During the years ended December 31, 2009 and 2008, the Company sold available-for-sale securities and realized gains of \$2,108 on proceeds of \$5,791 and realized losses of \$32 on proceeds of \$24, respectively.

Investment in Direct Financing Leases

The Company has investment in direct financing leases which consist of the minimum lease payments and the unguaranteed residual value, less unearned income. Unearned income from direct financing leases is credited to income based upon a constant periodic rate of return on the net investment in the lease. The current portion of the investment in direct financing leases is included in accounts and notes receivable – customers, and the noncurrent portion of the investment in direct financing leases is included in long-term accounts and notes receivable – customers in the accompanying consolidated balance sheets.

Rental revenue on operating leases is recognized on a straight-line basis over the related lease terms. Expenses, including depreciation and repairs, are charged against income as incurred.

The Company periodically sells portfolios of investments in leases structured as sales in an effort to generate capital and/or manage exposure and generally retains servicing responsibilities for the leases sold. In accordance with FASB ASC 860 *Transfers and Servicing* (formerly SFAS No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*), the Company surrenders control over the transferred assets and accounts for the transaction as a sale to the extent that consideration other than beneficial interests in the

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

transferred assets is received in exchange. The Company generally does not retain any interest in the investments in leases. A gain is recognized at the time of the sale, equal to the excess of the fair value of the assets obtained over the allocated cost of the assets sold, including deferred direct costs and vendor acquisition fees associated with the respective leases sold.

Depreciation and Amortization

Property, plant, equipment and leasehold improvements are stated at cost. Depreciation of property, plant and equipment (including equipment leased to others) is computed using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided on the straight-line method over the terms of the related leases.

Rental equipment under operating leases with customers, which consists mainly of trailers, is depreciated on a straight-line basis over the estimated useful lives of 15 years. Depreciation of trailer rental equipment under operating leases is charged against cost of revenues in the accompanying consolidated statements of income.

Leased property under capital leases, which consists of trailers, is recorded at its inception at the lower of fair value of the leased property or the present value of the minimum lease payments. Leased property under capital leases is depreciated on the same basis as rental equipment and any finance charges are amortized over the lease term. During the years ended December 31, 2009 and 2008, depreciation of leased property under capital leases of \$985 and \$776 respectively, is charged against cost of revenues in the accompanying consolidated statements of income.

During the years ended December 31, 2009 and 2008, the Company recorded depreciation expense of \$31,977 and \$35,198, respectively.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

Allowance for Doubtful Accounts

The Company estimates allowances for doubtful accounts based upon historical payment patterns, aging of accounts receivable and actual write-off history, as well as assessment of customers' creditworthiness. Changes in the financial condition of customers could have an effect on the allowance balance required and a related charge or credit to earnings.

Impairment of Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such a review indicates that the carrying amount of an asset exceeds the sum of its expected future cash flows, on an undiscounted basis and without interest charges, the asset's carrying value is written down to fair value. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

During 2009, the Company transferred 1,170 trailers with a net carrying value of \$12,958 from rental equipment to assets held for sale and recorded an impairment charge of \$9,573 to write down the carrying values of the trailers.

Goodwill and Intangible Assets

Goodwill represents the excess of purchase price over the fair value of acquired companies or businesses. The Company tests goodwill for impairment by reporting unit using the two-step processes at least annually. The first step is a screen for potential impairment, while the second step measures the amount of impairment, if any. The Company applies the discounted cash flow valuation model to determine the fair value of each of the reporting units. The Company did not recognize any goodwill impairments during 2009 or 2008.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

Intangible assets represent trade names which are not amortized and noncompete agreements and customer relationships which are amortized on a straight-line basis over the term of the agreements or estimated useful lives. Intangible assets are reviewed for impairment if indicators of impairment arise. The evaluation of the impairment is based upon a comparison of the carrying amount of the intangible asset to the future undiscounted net cash flows expected to be generated by the asset. If estimated future undiscounted cash flows are less than the carrying amount of the asset, the asset is considered impaired. An impairment loss would be calculated based on the excess of the carrying amount of the intangible asset over its fair value. During the years ended 2009 and 2008, no impairment occurred.

Derivatives and Hedging Activities

The Company uses derivative financial instruments for purposes of hedging exposures to fluctuations in interest rates, foreign currency exchange rates and commodity prices. The Company does not hold or issue derivative financial instruments for trading purposes. The Company recognizes derivative instruments on the consolidated balance sheets at fair value. Changes in the fair value of those instruments are reported in earnings or other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting.

Accounting for gains and losses associated with changes in the fair value of the derivative and the effect on the consolidated financial statements will depend on the transaction's hedge designation and whether the hedge is highly effective in achieving offsetting changes in the fair value of cash flows or the asset or liability hedged. Gains and losses related to qualifying hedges or firm commitments or anticipated transactions are deferred and recognized in earnings or as adjustments of carrying amounts when the hedged transaction occurs.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

The Company enters into interest rate only and cross-currency interest rate swap agreements to hedge its exposure to foreign currency exchange rate and/or interest rate risks. Interest rate swap contracts generally represent the contractual exchange of fixed and floating rate payments of a single currency, based on a notional amount and an interest reference rate. Interest rate swap agreements mature at the time the related debt matures and effectively manage the Company's interest rate exposure.

Cross-currency interest rate swap agreements hedge the Company's exposure to both interest and foreign exchange rate risks. Cross-currency swap contracts generally represent the contractual exchange of fixed and floating rate payments between two currencies. The cross-currency interest rate swap agreements mature at the time the related debt matures, and effectively manage the Company's foreign exchange and interest rate exposure. The differential to be paid or received on interest rate swaps is recognized as an adjustment to interest expense. Such agreements have been designated as fair value hedges. During 2009, the Company recognized no gain or loss related to such agreements because the changes in the fair values of such instruments completely offset the changes in the fair values of the designated hedge debt. The Company has also entered into interest swap contract primarily to convert the floating interest rates on the certain debts to fixed interest rates and designated such agreements as cash flow hedges. Changes in the contract's fair value are recognized in other comprehensive income. The notional amount for cross-currency and interest rates swaps to convert the floating rate to fixed were approximately \$94,000 and \$159,000, respectively at December 31, 2009. The Company uses foreign exchange forward contracts to manage its exposure to fluctuations in foreign currency exchanges rates. Forward contracts, which extend through July 2010, for forecasted transactions are designed as cash flow hedges and are recorded as assets or liabilities on the balance sheet at their fair value. Changes in the contract's fair value are recognized in other comprehensive income until they are recognized in earnings at the time the forecasted transaction occurs. The ineffective portion of a contract's change in fair value is required to be immediately recognized in earnings. The notional amount for foreign exchange contracts that the Company held as a cash flow hedge was approximately Japanese ¥2,800,000 at December 31, 2009.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

The Company uses commodity futures to hedge its exposure to price fluctuations of firm commitments and forecasted transactions. Commodity futures are required to be recorded as assets and liabilities on the balance sheet at their respective fair values. Changes in the contract's fair value are recognized in earnings or other comprehensive income depending on the hedge designation. At December 31, 2009 notional amount of commodity contract the Company hold as derivative instrument were approximately \$91,000. Generally, the length of time over which the derivative instruments to hedge commodity contract under the cash flow hedge is less than 12 months.

The Company also uses foreign currency denominated debt to hedge the value of its investments in a foreign subsidiary in Canada. Unrealized gains and losses from the hedging instrument are not included in the consolidated statement of income, but included in the translation adjustment in accumulated other comprehensive income. The amount of foreign currency denominated debt as a hedge of the net investment in foreign currency was Canadian \$15,500 at December 31, 2009.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

The fair value and location of the assets and liabilities associated with the Company's derivative financial instrument recorded in the consolidated balance sheet as of December 31, 2009 and 2008 were as follows:

Derivatives designated as hedging instruments under ASC 815	Assets			Liabilities		
	Balance Sheet Location	Fair Value as of December 31		Balance Sheet Location	Fair Value as of December 31	
		2009	2008		2009	2008
Cross-currency and interest rate swap	Other current assets	\$ 5,473	\$ –	Accrued expenses and other	\$ 673	\$ 1,173
	Intangible asset and other, net	8,594	17,491	Other noncurrent liabilities	1,324	1,900
Foreign exchange contract	Other current assets	540	–	Accrued expenses and other	1,339	2,100
Commodity contract	Other current assets	25,987	1,701	Accrued expenses and other	55,385	4,466
Total derivatives		\$40,594	\$19,192		\$58,721	\$9,639

The effect of derivative financial instrument designated as fair value hedges on consolidated statements of income for December 31, 2009 and 2008 were follows:

Derivatives Designated as Hedging Instruments Under ASC 815	Gain(Loss) on Derivative Recognized in Income			Gain(Loss) on Hedged Items Recognized in Income		
	2009	2008	Location	2009	2008	Location
Cross currency Swap	\$ 14,067	\$ 17,491	Other Expenses-Net	\$ (14,067)	\$ (17,491)	Other Expenses-Net
Commodity contract	(10,492)	364	Cost of Revenue	10,492	(364)	Cost of Revenue
Total before tax	\$ 3,575	\$ 17,855		\$ (3,575)	\$ (17,855)	

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

The effect of derivative financial instrument designated as cash flow hedges on the accumulated other comprehensive income of consolidated balance sheets and consolidated statements of income for December 31, 2009 and 2008 were follows:

Derivatives designated as hedging instruments under ASC 815	Amount of gain(loss) recognized in OCI		Amount of gain(loss) reclassified from OCI to earning		Location
	2009	2008	2009	2008	
Commodity Contract	\$ 1,948	\$ (1,757)	\$ (771)	\$ 804	Cost of Revenue
Interest rate swap	(1,053)	(1,428)	(1,711)	(103)	Interest Expenses
Foreign currency contract	(2,053)	(21)	(2,550)	750	Other Expenses-Net
Total after tax	<u>\$ (1,158)</u>	<u>\$ (3,206)</u>	<u>\$ (5,032)</u>	<u>\$ 1,451</u>	

Environmental Costs

Liabilities are recorded when environmental assessments are probable, and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Statements of Cash Flows

The Company enters into numerous transactions involving the purchase and sale of securities and other investments and the borrowing and repayment of short-term loans. These amounts have been netted for the purposes of the accompanying consolidated statements of cash flows.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

Vendor Rebates

The Company applies the guidance pursuant to FASB ASC 605-50 *Customer Payments and Incentives* (formerly EITF 02-16, *Accounting by a Customer (Including a Reseller) for Certain Consideration Received from a Vendor*). Accordingly, all vendor rebates are recognized as a reduction to cost of revenues as inventories are sold. As a result, some portion of the vendor rebates based on purchases remains in inventory at year-end. The Company estimates that \$41,368 and \$46,461 of vendor rebates for purchases in 2009 and 2008, respectively, relate to inventories still on hand, therefore reducing inventory by these amounts at December 31, 2009 and 2008.

Change in Accounting

On January 1, 2008, the Company adopted the measurement date provisions of FASB ASC 715, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, and the effect of this adoption was not material to the consolidated financial statements. See Notes 13 and 14 for further discussion of the effect of adopting FASB ASC 715. Effective January 1, 2009, the Company adopted FASB ASC 715-20-50 (formerly FASB Staff Position SFAS No. 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets*), which requires enhanced disclosures about the plan assets of a Company's defined benefit pension and other postretirement plans. These additional disclosures are intended to provide financial statement users with a greater understanding of: 1) how investment allocation decisions are made; 2) the major category of plan assets; 3) the inputs and valuations techniques used to measure the fair value of plan assets; 4) the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period; and 5) significant concentration of risk within plan assets. Other than the disclosures required the effect of adopting this standard did not have a significant impact on the Company's consolidated financial statements at December 31, 2009.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. SFAS No. 157 codified in FASB ASC 820, defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This statement does not require any new fair value measurements; rather, it applies to other accounting pronouncements that require or permit fair value measurements. The Company adopted FASB ASC 820 as of January 1, 2008 for financial assets and liabilities and elected the deferral for nonfinancial assets and liabilities. The effect of adopting this standard was not significant. Effective January 1, 2009, the Company adopted FASB ASC 820 for non-financial assets and non-financial liabilities. The effect of adopting this standard did not have a significant impact on the Company's consolidated financial statements at December 31, 2009.

In December 2007, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51* codified in FASB ASC 810. This standard requires that the noncontrolling interest in the equity of a subsidiary be accounted for and reported as equity and provides revised guidance on the treatment of net income and losses attributable to the controlling and noncontrolling owners. Pursuant to the transition provisions of ASC 810-10-65, the Company adopted this standard on January 1, 2009 via retrospective application of the presentation requirements. As a result, the Company reclassified \$98,577 from minority interest to noncontrolling interests in the equity section.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133* codified in ASC 815. This standard is intended to enhance the current disclosure framework in SFAS No. 133 and requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of, and gains and losses on derivative instruments, and disclosures about credit-risk related contingent features in derivative agreements. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

1. Summary of Significant Accounting Policies (continued)

November 15, 2008. Other than the disclosures required the effect of adopting this standard did not have a significant impact on the Company's consolidated financial statements at December 31, 2009.

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* codified in ASC 855. This standard sets forth: (1) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements; (2) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements and (3) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. This standard is effective for interim or annual financial periods ending after June 15, 2009 and the Company adopted this standard for the year ended December 31, 2009. The adoption of this standard did not impact the consolidated financial statements of the Company.

Recently Issued Accounting Pronouncements

In June 2009, the FASB issued Statement of Financial Accounting Standards No. 166, *Accounting for Transfers of Financial Assets, an amendment of FASB Statement No. 140* (SFAS No. 166) and Statement of Financial Accounting Standards No. 167, *Amendments to FASB Interpretation No. 46(R)* (SFAS No. 167). These amendments remove the concept of a qualifying special-purpose entity (QSPE) from Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* (SFAS No. 140) and the exception for QSPEs from the consolidation guidance of FASB Interpretation No. 46(R), *Consolidation of Variable Interest Entities*. These standards have been codified in FASB ASC 860-40, *Transfers to Qualifying Special Purpose Entities*. The provisions of FASB ASC 860-40 are effective January 1, 2010, and the adoption of this standard is not expected to have a significant impact on the Company's consolidated financial statements.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

2. Related Party Transaction

The Company is a wholly owned subsidiary of Marubeni Corporation (the “Parent”), a Japanese corporation which operates in Japan and, either directly or through subsidiaries and affiliates, throughout the world.

Substantial portions of the total volume of transactions result from transactions to which the Parent or affiliates are parties. The terms of these transactions are mutually agreed upon between the parties. For the years ended December 31, 2009 and 2008, the total volume of these transactions with the Parent or affiliates was approximately \$5,274,000 and \$4,305,000, respectively.

The Company serves as a treasury center to certain affiliates whereby these affiliates will deposit their excess cash with the Company. The balance of cash that the Company pays to and receives from nonconsolidated affiliates is included in receivables from parent and affiliates and payables to parent and affiliates in the consolidated balance sheets, respectively. The Company receives and pays interest on a portion of these receivable and payable balances. The change in the payable balance is included in operating activities in the statements of cash flows. Included in operating cash flows for 2009 and 2008 were cash inflows of \$65,890 and \$90,351, respectively.

3. Concentration of Credit Risk

The financial instruments which potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, trade accounts receivable, investments, loans and notes receivable and derivative financial instruments.

Potential concentrations of credit risk are limited as the Company has a large domestic and international customer base extending across many different industries. The Company’s policy is to review a customer’s financial condition prior to extending credit and, in certain circumstances, to require collateral. In addition, potential concentrations of credit risk on derivative financial instruments are limited as the Company uses various counter-parties and monitors the creditworthiness of the counter-parties periodically.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

4. Long-Term Accounts and Notes Receivable

Long-term accounts and notes receivable at December 31, 2009 mature at various dates. A substantial portion of such long-term receivables represent investment in direct finance leases which are collateralized by capital equipment.

5. Short-Term Loans and Long-Term Debt

At December 31, 2009 and 2008, short-term loans consist of notes payable to banks.

Long-term debt consists of the following:

	December 31	
	2009	2008
Long-term debt to banks and financial institutions	\$ 714,903	\$ 745,628
Less:		
Long-term debt due within one year	234,068	137,270
Long-term debt due after one year	\$ 480,835	\$ 608,358

The Company has various long-term financing agreements with numerous banks and other financial institutions at both fixed and floating interest rates. The Parent guarantees long-term debt of approximately \$352,000. The range of interest rates at December 31, 2009 and 2008 under these agreements were from 0.48% to 7.30% and 0.75% to 7.74%, respectively. The Company has secured and unsecured credit lines with banks with an aggregate borrowing limit of \$365,000 as of December 31, 2009 and 2008. The Company also in conjunction with the Parent and some related companies has unsecured credit lines with banks with aggregated borrowing limit of \$515,000. There was no amount outstanding under these lines as of December 31, 2009. Several of such agreements with banks totaling approximately \$15,000 are secured by receivables and other assets.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

5. Short-Term Loans and Long-Term Debt (continued)

Long-term debts at December 31, 2009 mature at various dates through 2015. The approximate aggregate maturities of long-term debt are as follows: 2010 – \$234,068; 2011 – \$174,774; 2012 – \$200,294; 2013 – \$ 31,618; 2014 – \$54,149; and thereafter – \$20,000.

6. Fair Value Measurement

In accordance with FASB ASC 820 *Fair Value measurements and Disclosures*, a fair value measurement is determined based on the assumptions that a market participant would use in pricing an asset or liability. FASB ASC 820 also established a three-tiered hierarchy that draws a distinction between market participant assumptions based on (i) observable inputs such as quoted prices in active markets (Level 1), (ii) inputs other than quoted prices in active markets that are observable either directly or indirectly (Level 2) and (iii) unobservable inputs that require the Company to use present value and other valuation techniques in the determination of fair value (Level 3). The following table presents information about assets and liabilities required to be carried at fair value on a recurring basis as of December 31, 2009 and 2008:

	Fair Value Measurement as of December 31, 2009 Using			
	Fair Value as of 12/31/09	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Available-for-sales securities	\$ 3,163	\$ 3,163		\$
Derivatives	40,594		40,594	
Liabilities				
Derivatives	58,721		58,721	

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

6. Fair Value Measurement (continued)

	Fair Value Measurement as of December 31, 2008 Using			
	Fair Value as of 12/31/08	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Trading securities	\$ 250	\$ 250	\$	\$
Available-for-sales securities	5,476	5,476		
Derivatives	19,192		19,192	
Liabilities				
Derivatives	9,639		9,639	

The Company estimated the fair value of its derivative instruments based on the net present value of its future cash flows, using a discount rate which reflected the Company's estimate of current market interest rate spreads or foreign currency exchange rate at that time.

Long-lived asset impairments of \$9,573 as discussed in Note 1, is calculated based on the fair value of trailers which is determined based upon recent market prices obtained from the Company's own sales experience for sales of each class of similar assets and vehicle condition. The Company considers these as level 2 inputs.

As discussed in Note 1, the Company adopted certain provision of ASC 715-20-50 on January 1, 2009. ASC 715-20-50 requires enhanced disclosures about the plan assets of a company's defined benefit pension and other postretirement plans, using the framework established under ASC 820. The plan assets are measured at fair value on a recurring basis and include the following items:

Mutual Funds: Investment is valued at a daily calculated NAV and is traded at a quoted price through the National Securities Clearing Corporation.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

6. Fair Value Measurement (continued)

Common/Collective Trust Funds: Investment is valued at a daily calculated unit value, which is an observable input.

One of the plans is part of the multiemployer plan sponsored primarily by the Company. The plan assets are not separable by each sponsoring employer. The Company's plan assets are approximately 95.8% of the total assets owned by the multiemployer plan as of December 31, 2009. The following table sets forth the fair values of the total plan assets including the multiemployer plan as of December 31, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual funds	\$ 23,121	\$ -	\$ -	\$ 23,121
Common/collective trust funds	-	216,948	-	216,948
Total	<u>\$ 23,121</u>	<u>\$ 216,948</u>	<u>\$ -</u>	<u>\$ 240,069</u>

7. Derivatives and Other Financial Instruments

The Company's existing derivative positions qualified for hedge accounting under the provisions of FAS ASC 815 *Derivatives and Hedging* except for the certain commodity future transactions entered behalf of the Parent. Cross-currency swap agreements and certain commodity futures are primarily classified as fair value hedges, while the Company's interest rate swaps, foreign currency forward contract hedges and certain commodity futures are primarily cash flow hedges.

These financial instruments, along with cash and cash equivalents and accounts and notes receivable, expose the Company to credit risk. In addition, such instruments may at times be concentrated with certain counterparties. However, counterparties are principally large financial institutions, and the creditworthiness of counterparties is subject to continuing review. Consequently, full performance is anticipated.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

7. Derivatives and Other Financial Instruments (continued)

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents: The carrying amount of cash and cash equivalents approximates fair value because of the short maturity of the instruments.

Investments in equity securities: The fair value of marketable equity securities is based on quoted market prices. At December 31, 2009 and 2008, the fair value of these securities was \$3,163 and \$5,725, respectively. The amortized cost of these marketable equity securities at December 31, 2009 and December 31, 2008 were \$2,255 and \$5,726, respectively. It was not practicable to estimate the fair value of the investments other than marketable equity securities without incurring excessive costs. The carrying amount of the portion of the portfolio for which fair value could not be estimated was \$45,767 and \$39,206 at December 31, 2009 and 2008, respectively, and represents the cost of this portion of the portfolio.

Short-term notes, loans receivable and loans payable: The carrying amount of short-term notes, loans receivable and loans payable approximates fair value because of the short maturity of the instruments.

Long-term accounts and notes receivable: The carrying amount of long-term receivables with floating interest rates approximates fair value. It was not practicable to estimate the fair value of the long-term accounts and notes receivable with fixed rates without incurring excessive costs.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

7. Derivatives and Other Financial Instruments (continued)

Long-term debt: The carrying amount of long-term loans payable with floating rates approximates fair value. For loans payable with fixed rates, fair value is estimated using discounted cash flow analyses based on the current borrowing rates of comparable Company borrowing arrangements. At December 31, 2009 and 2008, the carrying value of loans payable with fixed rates was \$714,903 and \$745,628, respectively and the fair value of the loans payable was \$722,953 and \$757,520, respectively.

8. Leased Property Under Capital Leases

A subsidiary is involved in various sale-leaseback arrangements. Some of these leasebacks have been accounted for as capital leases.

The following is a summary of the leased property under capital leases as of December 31:

	<u>2009</u>	<u>2008</u>
Leased property under capital leases	\$ 9,183	\$ 9,226
Less accumulated amortization	<u>2,227</u>	<u>1,264</u>
	<u>\$ 6,956</u>	<u>\$ 7,962</u>

Obligations under capital leases due within one year are included in accrued expenses and other in the accompanying consolidated balance sheets, and obligations under capital leases due after one year are included in other noncurrent liabilities in the accompanying consolidated balance sheets.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

8. Leased Property Under Capital Leases (continued)

The following is a summary of the future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2009:

Year Ending December 31:	
2010	\$ 1,745
2011	1,381
2012	1,124
2013	1,593
2014	629
Total minimum lease payments	6,472
Less amount representing interest	724
Present value of net minimum lease payments	<u>\$ 5,748</u>

The leases that are accounted for as capital leases provide for purchase options that represent a bargain value of the property as compared to the estimated fair market value of the property at the expiration of the lease term.

9. Investment in Direct Financing Leases

The following is a summary of the components of the Company's net investment in direct financing leases at December 31:

	<u>2009</u>	<u>2008</u>
Total minimum lease payments to be received	\$ 388,563	\$ 345,631
Less unearned income	57,672	52,848
Net investment in direct financing leases	<u>\$ 330,891</u>	<u>\$ 292,783</u>

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

9. Investment in Direct Financing Leases (continued)

At December 31, 2009, total minimum lease payments are due in the following contractual installments:

2010	\$ 134,072
2011	107,280
2012	74,914
2013	45,159
2014	16,285
Thereafter	10,853
	<u>\$ 388,563</u>

Accrual of direct finance lease income is suspended when the receivable becomes delinquent and income is recognized on a cash basis after a receivable is put on nonaccrual status. Accounts are written off when evaluation indicates the account is uncollectible.

During the years ended December 31, 2009 and 2008, the Company sold lease receivables having an aggregate net investment of approximately \$22,200 and \$91,400, respectively. In connection with these sales, the Company recognized net gains of \$500 and \$5,128, respectively. In addition, the Company entered into servicing agreements with the institutions that these portfolios were sold to. In connection with these servicing agreements, the Company will continue to earn fee income. The fee income comes primarily from late charges, insurance income, termination income and other fee income. At December 31, 2009 and 2008, the total portfolio balance sold and being serviced was approximately \$96,100 and \$140,900, respectively, and the Company recorded servicing income related to all portfolios sold of approximately \$1,100 and \$1,000 in 2009 and 2008, respectively.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

10. Rental Equipment

The following is a summary of rental equipment as of December 31, 2009 and 2008, which is included under property, plant and equipment and leasehold improvements and excludes the leased property in Note 8:

	2009	2008
Trailers and vehicles, at cost	\$ 81,009	\$ 140,182
Less accumulated depreciation	24,811	32,333
	\$ 56,198	\$ 107,849

At December 31, 2009, minimum future revenues from long-term leases are as follows:

2010	\$ 27,104
2011	18,789
2012	13,026
2013	10,012
2014	5,299
Thereafter	2,007
	\$ 76,237

11. Goodwill

The changes in the net carrying amount of goodwill for the years ended December 31, 2009 and 2008 are as follows:

	2009	2008
Goodwill, beginning of year	\$ 89,979	\$ 104,123
Adjustments to purchase price allocation and earn out payments	323	(13,184)
Effect of foreign currency translation	686	(960)
Goodwill, end of year	\$ 90,988	\$ 89,979

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

12. Intangible Assets and Other, Net

Intangible assets and other, net includes intangible assets of \$46,313 and \$49,404, and other assets of \$23,588 and \$33,743 as of December 31, 2009 and 2008, respectively. Intangible assets are comprised of the following at December 31:

	2009	2008
Non-compete agreements	\$ 6,274	\$ 7,080
Customer relationships	19,278	19,278
Customer lists	8,085	8,085
Trade name	20,944	20,841
Total gross carrying amount	54,581	55,284
Less accumulated amortization	8,268	5,880
Total	\$ 46,313	\$ 49,404

The Company recorded amortization expense of \$3,494 and \$2,915 for the years ended December 31, 2009 and 2008, respectively.

The weighted-average total amortization periods for the finite-lived intangible assets as of December 31, 2009 are as follows (in years):

Non-compete agreements	5.5
Customer relationships	15.7
Customer lists	10.0
Total	12.4

Estimated amortization expense over the next five years is as follows:

2010	\$ 3,286
2011	3,213
2012	2,687
2013	2,498
2014	2,199
Thereafter	11,486
	\$ 25,369

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

13. Pensions

The Company and certain of its domestic subsidiaries have noncontributory pension plans covering substantially all domestic employees. Benefits are based primarily upon years of service and average compensation levels. The Company's funding policy for the plans is to make the actuarially computed minimum required contributions.

On January 1, 2008, the Company adopted the measurement date provisions of ASC 715, and the effect of this adoption was not material to the consolidated financial statements. Change in projected benefit obligation, plan assets and accumulated benefit obligation of the pension plans at 2009 and 2008 are as follows:

	2009	2008
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	\$ 217,449	\$ 201,030
Service cost	8,427	9,477
Interest cost	13,514	14,164
Actuarial loss(gain)	20,121	(412)
Benefits paid	(6,451)	(6,810)
Projected benefit obligation at end of year	\$ 253,060	\$ 217,449
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 175,451	\$ 193,431
Actual return on plan assets	38,357	(50,925)
Employer contribution	22,722	39,755
Benefits paid	(6,451)	(6,810)
Fair value of plan assets at end of year	\$ 230,079	\$ 175,451
Accumulated benefit obligation at end of year	\$ 219,491	\$ 193,908

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

13. Pensions (continued)

The following table shows the calculation of the accrued pension liabilities and prepaid pension cost recognized in the accompanying consolidated balance sheets at December 31, 2009 and 2008, respectively:

	<u>2009</u>	<u>2008</u>
Funded status	\$ (22,981)	\$ (41,998)
Accrued pension liabilities	<u>\$ (22,981)</u>	<u>\$ (41,998)</u>

Accrued pension liability is included in other non-current liabilities in the accompanying consolidated balance sheets.

Amounts recognized in accumulated other comprehensive loss in the accompanying consolidated balance sheets at December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Actuarial loss	\$ (88,505)	\$ (99,748)
Prior service cost	(22)	(86)
Accumulated other comprehensive loss and tax effect	<u>(88,527)</u>	<u>(99,834)</u>
Cumulative employer contribution in excess of net periodic pension cost	<u>65,546</u>	<u>57,836</u>
Net amount recognized in consolidated balance sheets	<u>\$ (22,981)</u>	<u>\$ (41,998)</u>

The actuarial loss and prior service cost included in accumulated other comprehensive loss and expected to be recognized in net periodic pension cost during the year ending December 31, 2010 is \$6,886 and \$22, respectively.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

13. Pensions (continued)

The net periodic pension cost for the years ended December 31, 2009 and 2008 consists of the following:

	<u>2009</u>	<u>2008</u>
Service cost	\$ 8,427	\$ 9,477
Interest cost	13,514	14,164
Expected return on plan assets	(14,600)	(17,926)
Amortization of prior service cost	65	140
Recognized actuarial loss	7,606	1,831
Total net periodic pension cost	<u>\$ 15,012</u>	<u>\$ 7,686</u>

The aggregate projected benefit obligation and aggregate fair value of plan assets for pension plans with projected benefit obligations in excess of plan assets are as follows:

	<u>2009</u>	<u>2008</u>
Aggregate projected benefit obligation	\$ 244,243	\$ 217,449
Aggregate fair value of plan assets	220,044	175,451

The aggregate accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets are as follows:

	<u>2009</u>	<u>2008</u>
Aggregate accumulated benefit obligation	\$ 40,794	\$ 193,908
Aggregate fair value of plan assets	38,926	175,451

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

13. Pensions (continued)

Weighted-average assumptions used in the computation of benefit obligations are as follows:

	December 31	
	2009	2008
Assumed discount rate	6.35%	6.50%
Rate of increase in compensation levels	4.94% – 5.00%	4.90% – 5.00%

Weighted-average assumptions used in the computation of net periodic pension cost are as follows:

	Year Ended December 31	
	2009	2008
Assumed discount rate	6.50%	6.30%
Rate of increase in compensation levels	4.90% – 5.00%	4.90% – 5.00%
Expected long-term rate of return on plan assets	7.75% – 8.00%	8.00%

To develop the expected long-term rate of return on assets assumption, the Company considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

Expected benefit payments for all plans over the next ten years are as follows:

Fiscal year ending:	
2010	\$ 8,650
2011	9,538
2012	10,566
2013	11,725
2014	13,017
Five years thereafter	86,591
Total	<u>\$ 140,087</u>

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

13. Pensions (continued)

The pension plans' investment policy is to actively manage certain asset classes where potential exists to outperform the broader market, as defined by specific benchmarks for each of those asset classes. The pension plans' weighted-average asset allocation at December 31, 2009 and 2008, by asset category, are as follows:

<u>Asset Category</u>	<u>2009</u>	<u>2008</u>
Domestic equity securities	50%	50%
International equity securities	1	1
Debt securities	44	39
Real Estate	4	5
Cash	1	5
Total	<u>100%</u>	<u>100%</u>

The Company expects to contribute \$17,652 to its pension plans in 2010. No plan assets are expected to be returned to the Company during the year ending December 31, 2010.

14. Postretirement Benefits

A subsidiary of the Company provides certain medical benefits for retired employees. Employees may become eligible for these benefits upon reaching age 55 while working for the subsidiary and meeting certain service requirements. Effective January 1, 2007, new employees are no longer eligible to participate in the subsidiary's retiree medical benefit plan.

The subsidiary's Medicare-eligible drug benefit was deemed actuarially equivalent to the Medicare Part D prescription drug benefit offered by the government under the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act"). For the years ended December 31, 2009 and 2008, the subsidiary elected to take the governmental subsidy offered under the Act and reflect this impact in expense. All calculations are based on recognizing the subsidy.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

14. Postretirement Benefits (continued)

On January 1, 2008, the Company adopted the measurement date provisions of ASC 715, and the effect of this adoption was not material to the consolidated financial statements. The change in the accumulated postretirement benefit obligation and funded status of postretirement benefits for 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 25,966	\$ 25,420
Service cost	856	1,025
Interest cost	1,574	1,810
Plan participants' contributions	348	322
Retiree drug subsidy receipts	57	57
Actuarial loss (gain)	5,037	(1,066)
Benefits paid	(1,657)	(1,602)
Benefit obligation at end of year	<u>\$ 32,181</u>	<u>\$ 25,966</u>
 Funded status		
Net amount accrued	<u>\$ (32,181)</u>	<u>\$ (25,966)</u>

Accrued postretirement benefit liability is included in other non-current liabilities in the accompanying consolidated balance sheets.

The medical benefit plan's benefits are funded on a cash basis as benefits are paid. No assets have been segregated and restricted to provide medical benefits.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

14. Postretirement Benefits (continued)

Amounts recognized in accumulated other comprehensive income in the accompanying consolidated balance sheets at December 31, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Actuarial loss	\$ (7,513)	\$ (2,476)
Prior service credit	5,533	6,343
Accumulated other comprehensive income before tax effect	(1,980)	3,867
Cumulative net periodic pension cost in excess of employer contribution	(30,201)	(29,833)
Net amount recognized in consolidated balance sheets	<u>\$ (32,181)</u>	<u>\$ (25,966)</u>

The actuarial loss and prior service credit included in accumulated other comprehensive income and expected to be recognized in net periodic pension cost during the year ending December 31, 2010 is \$307 and \$(810), respectively.

Net periodic postretirement benefit cost included the following:

	Year Ended December 31	
	<u>2009</u>	<u>2008</u>
Service cost	\$ 856	\$ 1,025
Interest cost	1,574	1,810
Amortization of prior service credit	(810)	(945)
Recognized actuarial loss	-	71
Total postretirement benefit cost	<u>\$ 1,620</u>	<u>\$ 1,961</u>

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

14. Postretirement Benefits (continued)

Weighted-average assumed discount rates of 6.50% and 6.30% were used for the years ended December 31, 2009 and 2008, respectively, in determining the net postretirement benefit cost. Weighted-average assumed discount rates of 6.35% and 6.50% were used as of December 31, 2009 and 2008, respectively, in determining the postretirement benefit obligation.

The assumed health care cost trend rates related to the medical benefit plan are as follows:

	December 31	
	2009	2008
	<hr/>	
Health care cost trend rate assumed for next year	7.40%	7.50%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	4.50	5.00
Year that the rate reaches the ultimate trend rate	2027	2016

Assumed health care cost trend rates have a significant effect on the amounts reported for the medical benefit plan. A 1% increase in the assumed health care cost trend rate would have increased the cost during 2009 of postretirement benefits by \$490 and the accumulated benefit obligation by \$5,630 at December 31, 2009. A 1% decrease in the assumed health care cost trend rate would have decreased the cost during 2009 of postretirement benefits by \$358 and the accumulated benefit obligation by \$4,530 at December 31, 2009.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

14. Postretirement Benefits (continued)

The estimated gross amounts of receipts from the Medicare Part D Prescription drug benefit subsidy are netted with the medical benefit plan's expected benefit payments. Expected benefit payments for the plan over the next ten years are as follows:

	Gross Expected Benefit Payments	Medicare Subsidy	Net Expected Benefit Payments
Year Ending:			
2010	\$ 1,077	\$ (81)	\$ 996
2011	1,219	(93)	1,126
2012	1,353	(109)	1,244
2013	1,536	(122)	1,414
2014	1,708	(138)	1,570
Five years thereafter	11,275	(992)	10,283
Total	\$ 18,168	\$ (1,535)	\$ 16,633

15. Defined Contribution Plan

The Company has various defined contribution plans. The Company made contributions to the plans for the years ended December 31, 2009 and 2008 in the amount of \$5,006 and \$4,010, respectively.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

16. Income Taxes

Deferred income taxes included in the accompanying consolidated balance sheets reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company has gross deferred tax assets of \$152,000 and \$133,000 at December 31, 2009 and 2008, respectively, related to differences in accounting for bad debts, certain accrued items, investments, inventory, lower of cost or market adjustment and post-retirement costs. At December 31, 2009 and 2008, the Company has gross deferred tax liabilities of \$195,000 and \$132,000, respectively, related primarily to differences in depreciation, pension expense and investment in partnerships.

The provision for income taxes from continuing operations consists of the following:

	Year Ended December 31	
	2009	2008
Current:		
Federal	\$ 17,100	\$ 66,200
State and local	11,800	15,200
Deferred:		
Federal	29,900	5,000
State and local	4,000	1,100
	\$ 62,800	\$ 87,500

For the years ended December 31, 2009 and 2008, the difference between the provision for income taxes and a provision computed at the statutory federal income tax rate is due to state and local taxes and certain non-deductible expenses.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

16. Income Taxes (continued)

At December 31, 2009 and 2008, no deferred income taxes have been provided for the Company's share of undistributed net earnings of foreign operations due to the Company's intent to reinvest such amounts indefinitely. The determination of the amount of such unrecognized tax liability is not practical. Those earnings were approximately \$25,000 and \$18,000 as of December 31, 2009 and 2008, respectively.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2009	2008
Balance at January 1,	\$ 609	\$ 650
Additions based on tax positions related to the current year	–	76
Additions for tax positions of prior years	1,741	–
Reduction due to lapse in statute of limitations	–	(117)
Balance at December 31,	\$ 2,350	\$ 609

For the years ended December 31, 2009 and 2008, the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is \$2,350 and \$609, respectively.

The Company recognized interest and accrued related penalties to unrecognized tax benefits in interest expense and operating expenses, respectively. For the years ended December 31, 2009 and 2008, the Company recognized interest and penalties of approximately \$884 and \$29, respectively. Approximately \$984 and \$100, for the payment of interest and penalties were accrued at December 31, 2009 and 2008, respectively.

The Company files income tax returns in the U.S. federal jurisdiction, and various states. The Internal Revenue Service (IRS) commenced an examination of the Company's U.S. income tax returns for 2006 and 2007 in the third quarter of 2009, and some state income tax returns are under an examination. As of December 31, 2009, the IRS and states have not indicated any significant adjustment to the Company's tax positions.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

17. Other Comprehensive Income (continued)

The accumulated balance of each component of accumulated other comprehensive income (loss) at December 31, 2009 and 2008 is as follows:

	Unrealized Gains (Losses) on Available-for- Sale Securities	Fair Value of Derivative Financial Instruments	Translation Adjustment	Change in Pension and Postretirement Funded Status	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2007	\$ 1,433	\$ (675)	\$ 7,389	\$ (16,143)	\$ (7,996)
Unrealized (losses) gains arising during the year	(10,526)	(3,185)	(7,376)	(35,791)	(56,878)
Less reclassification adjustment for (losses) gains included in net income	(9,092)	1,451	–	(737)	(8,378)
Change in 2008	(1,434)	(4,636)	(7,376)	(35,054)	(48,500)
Balance at December 31, 2008	(1)	(5,311)	13	(51,197)	(56,496)
Unrealized (losses) gains arising during the year	1,772	(1,141)	6,270	(1,326)	5,575
Less reclassification adjustment for (losses) gains included in net income	1,217	(5,032)	–	(3,677)	(7,492)
Change in 2009	555	3,891	6,270	2,351	13,067
Balance at December 31, 2009	\$ 554	\$ (1,420)	\$ 6,283	\$ (48,846)	\$ (43,429)

18. Commitments and Contingencies

At December 31, 2009 and 2008, the Company has guaranteed the indebtedness of certain affiliates and a third party amounting to approximately \$75,000 and \$68,000, respectively.

The minimum commitment for the rental of office facilities and equipment under noncancelable operating leases at December 31, 2009 was \$368,776 payable as follows: 2010– \$79,828; 2011 – \$50,869; 2012 – \$46,959; 2013 – \$37,615; 2014 – \$23,560 and thereafter – \$129,945. The Company is also responsible for rent escalations based upon increases in real estate taxes and other building operating costs.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

18. Commitments and Contingencies (continued)

Total rent expense amounted to approximately \$90,000 and \$82,000 for the years ended December 31, 2009 and 2008, respectively.

At December 31, 2009 and 2008, a subsidiary had entered into commitments to purchase components of trailers for approximately \$100 and \$5,700, respectively.

The outstanding letters of credit at December 31, 2009 and 2008 are \$7,434 and \$4,591, respectively.

A subsidiary of the Company accrues for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Such accruals are adjusted as further information develops or circumstances change. The subsidiary concluded that the best estimate is approximately \$10,000, which is included in accrued expenses and other as of December 31, 2009 in the consolidated balance sheets.

19. Litigation

In the normal course of business, the Company is subject to certain claims and litigation, including unasserted claims. The Company is of the opinion that, based on information currently available, such legal matters will not have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

20. Sale of Accounts Receivable

A subsidiary of the Company has an agreement to sell, on an ongoing basis, a pool of receivables to a wholly owned bankruptcy-remote special-purpose funding subsidiary (the “funding subsidiary”). The funding subsidiary is a distinct legal entity that engages in no trade or business in order to make remote the possibility that the entity would enter bankruptcy or other receivership. The subsidiary sells the pool of receivables to the funding subsidiary for a purchase price equal to the fair market value of the pool. The funding subsidiary, subject to certain conditions, sells an undivided fractional ownership interest in the pool of receivables to an unrelated company (the “securitization company”), for which there are no repurchase agreements. The proceeds received by the funding subsidiary from the sale to the securitization company are immediately remitted to the subsidiary to satisfy the funding subsidiary’s obligation to the subsidiary. The retained interest on the Company’s balance sheet, which is comprised of subordinated interests, provides credit enhancements. During 2009 and 2008, in accordance with FASB ASC 860, *Accounting for Transfers of Servicing of Financial Assets and Extinguishments of Liabilities*, the subsidiary recorded losses on the sale of receivables of \$5,030 and \$8,831, respectively. The estimated fair value of the retained interest was \$50,037 and \$52,949 at December 31, 2009 and 2008, respectively, which is included in other current assets. Based on the nature of the subsidiary’s securitization transactions, the two key assumptions used in determining the fair value of the retained interest are management’s estimate of uncollectible accounts receivable and the payment rate which is derived from the average life of the accounts receivable of approximately 60 days. As of December 31, 2009 and 2008, management of the subsidiary estimated uncollectible accounts receivable of \$13,552 and \$12,364, respectively. Total accounts receivable that the subsidiary manages as of December 31, 2009 and 2008 amounted to \$259,563 and \$254,530, respectively.

Credit losses, net of recoveries, during 2009 and 2008 were \$3,291 and \$2,316, respectively. Any change in management’s estimate of uncollectible accounts receivable will have an inversely corresponding impact on the estimate of the fair value of the retained interest.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

20. Sale of Accounts Receivable (continued)

Additionally, under the terms of the agreement, new receivables are added to the pool as collections reduce previously sold receivables. The subsidiary services, administers and collects the receivables on behalf of the funding subsidiary and the securitization company. The net proceeds from the sale of receivables were used for the reduction of other short-term obligations and are reflected as operating and financing cash flows in the accompanying consolidated statements of cash flows, respectively. The assets derecognized as of December 31, 2009 and 2008 as a result of the securitization totaled \$182,000 and \$186,617, respectively. The agreement requires the funding subsidiary to meet certain financial covenants.

21. Sale of Loans Receivable

A subsidiary of the Company has an agreement to sell, on an ongoing basis, specific loans receivable to a wholly owned bankruptcy-remote special-purpose subsidiary (the “SP subsidiary”) of the subsidiary. The SP subsidiary is a distinct legal entity that engages in no trade or business in order to make remote the possibility that the entity would enter bankruptcy or other receivership.

The subsidiary originates loans subject to certain predefined underwriting criteria and sells participations in such loans to a financial institution pursuant to a participation agreement (the “Program”). The subsidiary then sells such loans receivable and its rights and obligations under participation agreements to the SP subsidiary in exchange for payment in the amount of the fair market value of such loans receivable and related rights and obligations. The participation proceeds received by the SP subsidiary from the financial institution are immediately remitted to the subsidiary to satisfy the SP subsidiary’s obligation to the subsidiary. Any remaining unsatisfied amount of the obligation from the SP subsidiary to the subsidiary is evidenced by a subordinated promissory note issued by the SP subsidiary, the outstanding balance of which is reflected as part of retained interest on the subsidiary’s balance sheet. The financial institution services, administers, and collects the loans on behalf of the SP subsidiary.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

21. Sale of Loans Receivable (continued)

The Program is made up of two different loan participation programs. Under the first program, the SP subsidiary guarantees, on a limited basis, the loan participations. The loans under the program are assigned to a pool based on the crop year to which they relate. Each year that the agreement remains effective, the pool will have a term beginning on September 1 and ending on August 31 of the following year. For each pool of loans, the SP subsidiary agrees to pay the financial institution for 100% of the loan loss experienced after the financial institution reaches its loan loss limit, up to the SP subsidiary's limit of liability. At December 31, 2009 and 2008, the limit of liability of the SP subsidiary for this program is \$10,593 and \$9,523, respectively. The loan loss limit assumed by the financial institution is equal to one percent of the aggregate principal amount of loans included in the pool for the year. Loans under this program totaled \$102,390 and \$92,188 at December 31, 2009 and 2008, respectively.

Under the second program with the same financial institution, the subsidiary sells 100% participation in loans originated by the subsidiary with varying levels of recourse ranging from 0% to 20%. The loans and the extent of the recourse obligation are approved by the subsidiary and the financial institution, and then originated by the subsidiary. The subsidiary then sells 100% participation to the financial institution with a recourse obligation, ranging from 0% to 20%, in the event of default. Simultaneously, the subsidiary sells such loans receivable and its rights under the participation agreements to the SP subsidiary. The subsidiary records its retained interest in the SP subsidiary as an asset in other current assets in its consolidated balance sheets. At December 31, 2009 and 2008, loans under this program totaled \$28,069 and \$23,992, respectively. At December 31, 2009 and 2008, the limit of liability of the SP subsidiary for this programs is \$426 and \$351, respectively.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

21. Sale of Loans Receivable (continued)

The net proceeds from the Program are used for the reduction of other short-term obligations and are reflected as operating cash flows in the accompanying consolidated statements of cash flows. Assets derecognized as a result of the securitization under the first program totaled \$102,390 and \$92,188 at December 31, 2009 and 2008, respectively. Assets derecognized under the second program totaled \$27,693 and \$23,869 at December 31, 2009 and 2008, respectively.

22. Business Acquisition

During 2009, the Company paid \$6,750 to acquire the assets of three businesses. During 2008, the Company paid \$36,515 to acquire the assets of eight businesses. Each of these acquisitions individually was not material to the consolidated financial statements. The purchase prices have been allocated to the assets acquired based upon the estimated fair value at the date of acquisition and are summarized as follows:

	<u>2009</u>	<u>2008</u>
Inventory	\$ 1,499	\$ 17,581
Property, plant and equipment and leasehold improvements	5,379	19,105
Intangibles assets and other, net	292	4,944
Accounts payables and other liabilities	(420)	(5,115)
Net assets acquired	<u>\$ 6,750</u>	<u>\$ 36,515</u>

The purchase price of each business acquired was determined based on the expected future cash flows the purchased assets will generate. The operating results of businesses acquired have been included in the consolidated financial statements from the date of acquisition.

Marubeni America Corporation

Notes to Consolidated Financial Statements (continued)

(In Thousands)

23. Subsequent Event

In accordance with FASB ASC 855, the Company has evaluated subsequent events through March 25, 2010, the date the Company's consolidated financial statements were available to be issued. No events or transactions have occurred or are pending that would have a material effect on the consolidated financial statements at that date or for the period then ended, or that are of such significance in relation to the Company's affairs to require mention in a note to the consolidated financial statements in order to make them not misleading.