Marubeni America Corporation

Annual Report 2010

Year ended December 31, 2010

Contents

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, 2010 and 2009, 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, 2010 and 2009, 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, Summary of Significant Accounting Policies – Bill of Exchange, the 2009 consolidated balance sheet and consolidated statement of cash flows have been restated to reflect the recognition of a recourse obligation to financial institutions and a related discounted receivable from the Company's parent.

April 12, 2011

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www.marubeniamerica.com

Marubeni Corporation (parent) Web Address:
www.marubeni.com

President's Message

Fumiya Kokubu
President and Chief Executive Officer

In recent years, Marubeni America Corporation, like our parent, Marubeni Corporation, has maintained its strong earning capability and financial stability. With sustained contributions from our traditional trading businesses and substantial contributions from our subsidiaries, we have had a string of strongly performing years.

During the spring of 2010, Marubeni Corporation embarked on "SG-12," our mid-term management plan. I am very pleased to report that the results of fiscal year 2010, the first year of the "SG-12", were very good. As we look forward to the remaining two years of the plan, we continue to expect many business chances to come from the Americas, which straddles the US market, the largest in the world, with a growing population, and the remarkably expanding South American market. To achieve the goals of the SG-12, we will aggressively invest management resources in this growth market and strengthen our efforts to find new business opportunities which add value to Marubeni globally.

As we face the challenges of 2011 and beyond, we look forward to ongoing contributions from our existing subsidiaries and the expansion of our business and future earnings by a combination of organic growth and acquisition where appropriate. They have raised the bar and challenged themselves to be innovative and proactive – advocating new ideas and always thinking one step ahead. At the same time, we will focus on advancing our ability to keep an ever-watchful eye on proper risk management, financial planning, internal control, compliance and corporate social responsibility.

Now, as always, we are committed to providing the highest level of value-added services, solution and quality to our customers, clients and business partners - **to go beyond your expectations...**

We look forward to working with you.

Our Business

Marubeni America Corporation is involved in a vast array of upstream, midstream and downstream business activities - in past years, it was said that we offered everything from "noodles to satellites." And while such a description is a bit outdated today, the essence of our business remains the same. As a result of our coordinated strategy to minimize corporate and shareholder risk by investing in a myriad of business types and industries, we have the capability of offering to our customers and clients a wide series of finished goods and financial products, commodities, raw materials, components, transportation, technical and other services.

MAC seeks to invest in business opportunities at various stages. We specialize in facilitating a bi-directional flow of businesses and technologies between the U.S. and Japan (and other Asian countries). We are extremely flexible in how we get involved in new opportunities; current activities include private equity investment, partnerships, business incubation, joint ventures, and marketing and distribution.

Our strategy is to promote growth by connecting businesses with the global network of alliances that we and our parent company, Marubeni Corporation, have cultivated through our 150 year history. We look forward to hearing about sound opportunities in private equity, strategic direct investment, and middle-market acquisitions.

Chemicals

MAC's business in this area is wide-ranging, as we handle agrochemicals, petrochemicals, plastics, specialty chemicals and electronic materials.

Our Commodity Chemicals Department is based in Houston at its industry's center. We trade petrochemical products and chlor-alkali related products, such as olefins, aromatics, carbon black feedstock, vinyl chloride monomer (VCM), polyvinyl chloride resin (PVC), caustic soda, ethylene glycol and polyolefins, mainly between the U.S., Central and South America and Asia, to meet the increasing demand in Asia and in the U.S.

Specialty Chemicals Department meets the increasing challenge of supplying the chemical industry's needs. Our subsidiary company, Marubeni Specialty Chemicals (MSCI), of White Plains, New York, conducts trading and distribution operations. MSCI's four divisions serve various constituencies, including the paper coating, paint, adhesive, packaging, automobile, electronics, fiber optics, agricultural chemicals and related products (including Helena Chemical's products - see below). MSCI is invested in, and seeks further opportunities to invest in, emerging companies that offer cutting-edge technologies. In 2009, MSCI has established new division in Tampa, Florida, to further strengthen its upstream and downstream business. The establishment of Tampa Division has helped MSCI expand its business in the area of solvents, monomers, food additives and special plastics.

MAC's West Coast Chemicals Department, located in our Silicon Valley Branch, trades materials and products related to the Solar (Si and CIGS) industry, the Semi-conductor industry and other Electronics industries between the U.S. and Asia, primarily Japan.

Finally, MAC's largest subsidiary, Helena Chemical Company (HCC), is one of the largest formulators and distributors of crop inputs and services in the U.S. HCC offers a variety of crop protection products, agricultural chemicals, seed, fertilizer and related products. Helena has four plants which provide toll manufacturing services for it suppliers as well as manufacturing Helena's line of private and proprietary products. The Company has 16 sales divisions, with about 377 sales outlets and more than 3,688 employees. In addition to traditional agricultural products, Helena offers services in turf and ornamental products, forestry, aquatic and vegetation supplies. Its proprietary line of products includes adjuvant, seed treatments, bioscience, nutritional and value-added generics, which are distributed in 12 countries by MSCI.

Subsidiary Companies

Helena Chemical Company

Distributor of agricultural chemicals, seed and fertilizer

Marubeni Specialty Chemicals, Inc.

Import and export of specialty chemicals, agricultural chemicals and plastics

Energy

We are expanding our trading portfolios in the oil and gas businesses in the U.S. and Latin America, while simultaneously exploring opportunities for investment in related up, mid and downstream businesses in both regions. We also lend support to three subsidiary companies in oil and gas and nuclear fuel - MIECO, Energy U.S.A. and Marubeni Denver Juesburg LLC, respectively - which MAC owns jointly with Marubeni Corporation. MIECO, with offices in California, Texas , Colorado and New Jersey, conducts trading of petroleum products, petrochemical feedstocks and natural gas in the American and the Pacific Rim markets. Energy U.S.A., with offices in Washington, D.C. and Connecticut, trades natural uranium both domestically and overseas for end-user in the generation of nuclear power. Marubeni Denver Julesburg LLC, with an office in Texas, conducts development and production of the Niobrara shale acreage in the DJ Basin of Wyoming and Colorado.

In addition, MAC plans to conduct trading of crude oil and petroleum products, as well as natural gas, LNG and LPG. With any of these products, we may be involved in importing and exporting them to and from the U.S., or in trading them offshore. Latin America is another focus of MAC's efforts to increase trade and to invest in related energy businesses in the mid-downstream.

Subsidiary Companies

Energy U.S.A. Inc.

Trader of uranium and nuclear energy related equipment

Marubeni Oil & Gas (USA), Inc.

Oil and gas development and production in the Gulf of Mexico

MIECO, Inc.

Petroleum and natural gas traders

Marubeni Denver Julesburg LLC

Shale oil and gas development and production in the DJ Basin

Food

MAC buys and exports grain, meat, sugar and other foodstuffs from the American Continent for the Japanese, Asian and other world markets; engages in commodities trading through the InterContinental Exchange and the Chicago Board of Trade; and assists Marubeni Corporation in conducting commodity trading with suppliers in North and South America. We export wheat, barley, rice, corn, sorghum, soybeans, canola, beef, pork, sugar, and other foodstuffs from the American continent, while also importing sugar to the U.S. from Central and South America.

We have also worked to expand our business, especially in corn and soybeans, by securing our supply base. We have a strategic alliance with major grain suppliers, Andre Maggi Group (AMAGGI), and Molino Canuelas. Also we have Time Charter Vessel Operation Company along with Archer Daniels Midland Company (ADM).

Similarly, we have helped to ensure a safe and stable supply system for meat and other foodstuffs by reinforcing strong links with U.S. and Central and South American suppliers; for example, with Farmland Foods, Inc. in the chilled pork trade, with the major Bolivian cane sugar suppliers in the U.S. quota sugar trade, and with the Canadian suppliers of wheat. We also seek to increase trade of non-genetically modified (non-GMO) grain in Japan.

MAC's affiliate, Columbia Grain, Inc. (CGI), has 42.5 million bushels of storage capacity and exports nearly 160 million bushels of wheat, barley, corn and soybeans through its state-of-the-art grain elevator at Terminal5 in Portland, Oregon. Through CGI, we ship almost 30% of wheat exported by the United States pacific north west ports. In anticipation of irregular market conditions across the globe, we are looking to new areas for supplies of grain, including South America.

Subsidiary Companies

ADM Marubeni Transportation, LLC

Operation of freight

Columbia Grain, Inc.

Grain merchandising

Forest Products

We import, export and distribute pulp, wood chips and paper.

MAC's subsidiary company, Intragrated Resources Holdings, sells printing paper to catalog houses and publishers in the U.S. and also provides consulting services to heavy corporate users of printing paper.

Subsidiary Companies

Intragrated Resources Holdings

Paper distributor and printing consulting

Leasing & Finance

Marubeni America Corporation (MAC) has made numerous strategic investments in refrigerated transportation, technology equipment, and other leasing businesses in niche US markets since mid-90s, and as a result MAC has come to accumulate in-depth leasing industry expertise and sizable assets in the respective businesses.

PLM Trailer Leasing (Montvale, NJ) is a top-tier trailer leasing company, which specializes in refrigerated trailers and containers. PLM's customers are mainly food service providers, who require timely delivery services. PLM makes this possible through its multiple satellite offices nationwide. PLM's subsidiary, Train Trailer Rentals (Toronto, Canada), is similarly a market leader in the trailer leasing business in eastern Canada.

CoActiv Capital Partners (Horsham, PA) offers small-ticket equipment finance and leasing programs for business owners. CoActiv understands how to facilitate various equipment leasing needs and knows how to implement them, and its customer base ranges diversely from business offices, construction & industrial companies, to food franchise businesses. CoActiv operates in the Canadian market through its wholly-owned subsidiary, CoActiv Canada.

Advantage Funding (Lake Success, NY) serves as a convenient one-stop financing service provider for automobile acquirers, which is fully capable to offer complete leasing and financing solutions. Whether it is a buy or a lease, Advantage can provide a full range of financing services and programs for customers looking to acquire coach buses, limousines, para-transit vans, and all kinds of commercial vehicles.

Midwest Railcar Corp. (St. Louis, MO) is a leasing and fleet management company, which specializes in railcar leases and rail fleet services with a current a railcar fleet of approximately 10,000 railcars. The fleet consists of various types of covered hoppers, gondolas, boxcars, open top hoppers, and flatcars. Midwest is one of many global co-investment cases joined with Marubeni Corporation, which is MAC's parent company located in Tokyo, Japan.

Subsidiary Companies

Advantage Funding Management Co., Inc.
Specialty commercial vehicle leasing and financing

CoActiv Capital Partners, Inc.

CoActiv Capital Partners Canada Inc.
Vendor lease finance programs

Marubeni Transport Service Corporation
Third party logistics service provider

Midwest Railcar Corporation
General freight railcar operating leasing

PLM Trailer Leasing, Inc.
Refrigerated trailer leasing

Train Trailer Rentals Limited
Trailer rental, lease, service & sales

Lifestyle

In the area of "Lifestyle", MAC markets various textile products together with general merchandise, including footwear, artificial leathers, hides and rubber.

In textiles, we primarily design source, manufacture and market a wide range of quality products that serve both the U.S. and overseas markets. We manufacture garments for apparel wholesalers and retail stores. We also supply woven and nonwoven fabrics to both apparel and industrial manufacturers. We import other related raw materials - mainly yarns, fibers and sell to domestic weavers, knitters, paper producers and carpet manufacturers. We domestically produce knitted fabric for a leading U.S. automotive interior company. And like Marubeni America, many of our customers are market leaders in their fields and hold well-known brand names.

Our footwear department markets Clarino - one of the most advanced synthetic leathers ever made - in the U.S., Canada, Mexico and South America. In North America, we also distribute flexible, lightweight children's shoes to high-end retailers and specialty stores.

MAC's Hide Department exports U.S. and Canadian hides to Asian countries including China, Korea, Taiwan and Japan, where they are processed into leather for shoes, bags and automobile interiors.

Our rubber department imports conveyer belts and hoses, mainly from Asian countries including China, Taiwan, Korea and Japan, and markets them to regional distributors in North America. Marubeni America's subsidiary, Belterra Corporation, also distributes conveyer belts and industrial hoses, mainly in Canada.

Subsidiary Companies

Belterra Corporation

Distributor of industrial conveyor belts and hoses

Marubeni Business Machines (America) Inc.

Sole Distributor of Konica Minolta MFP and PP products in Latin America and Caribbean countries

Machinery

For our own account, MAC imports, exports and wholesales automobiles, commercial trucks, agricultural machinery, construction machinery, mining equipment and other industrial vehicles and equipment and related spare parts. In addition, we deal with machine tools and parts for photovoltaic cell manufacturers, and pulp and paper machinery.

As a shareholder, we invest in and operate Prime Automotive Warehouse, an auto parts supplier for the aftermarket located in Olive Branch, Mississippi. Gallery Automotive Group and Gallery North of the Boston, Massachusetts area and Long Island Automotive Group and LIAG Bay Shore of Long Island, New York maintain a series of high-end retail dealerships for luxury and imported, cars. In the construction machinery area, we hold Makomex of Monterrey, Mexico, and in the agricultural machinery field, our affiliate Avenue Machinery of the Vancouver, Canada region is one of Western Canada's leading distributors and KM Distribucion de Maquinarias, S.A. de C.V. of Guadalajara, Mexico also distributes agricultural machinery. Advantage Funding Management of Lake Success, New York leases and finances coach buses, limousines, para-transit vans and other specialized commercial vehicles. Marubeni Aerospace America of Los Angeles, California exports military defense products for the Japan Defense Ministry. Marubeni Business Machines (America) Inc. exports office automation equipment.

Subsidiary Companies

Advantage Funding Management Co., Inc.
Specialty commercial vehicle leasing and financing

Avenue Machinery Corporation
Sales of agriculture and Kubota construction equipment

Gallery Automotive Group, LLC

Gallery North, Inc.
Long Island Automotive Group, Inc.

LIAG Bay Shore, Inc.

MMS-HM, Inc.
Automobile dealerships

KM Distribucion De Maquinarias, S.A. DE C.V.
Distributor of agricultural machinery

Marubeni Aerospace America Corporation
Export of defense equipment

Marubeni Auto & Construction Machinery America
Automobile and construction machinery dealerships

Marubeni Business Machines (America) Inc.
Import and export of office automation equipment

Marubeni Citizen Cincom, Inc.
Distributor of CNC Swiss-type lathes

Marubeni Maquinarias Mexico, S.A.de C.V.
Import, sales and service of Komatsu construction machinery

Prime Automotive Warehouse, Inc.
Wholesale distributor of automotive parts

Metals & Mineral Resources

MAC is engaged in the import, export, domestic and offshore trade of various non-ferrous metals and ferrous materials and minerals. While our main activities are trading and distribution, we are also intensely involved in a variety of high-technology related businesses and venture projects for various industries.

Our New York City office specializes in copper tubing for air conditioners, copper strip for submarine cable and cellular base stations, gallium arsenide substrates and epi-substrates, the import and export of aluminum and copper products, trading of aluminum ingot and billet in North America and Latin America, Import of hot briquetted iron (HBI), and import of high grade Low Carbon Ferro Chrome.

In Detroit, we specialize in domestic trading of aluminum wire rod for the steel industry, aluminum products for the automotive industry, import of aluminum foil, and metallic powders for sintered automotive parts.

From our Silicon Valley branch, we deal with aluminum and glass substrates for computer hard disk drives (HDDs), polishing pad and slurry for hard disks, semiconductor wafers and CMP applications, various LEDs with wavelengths from 370nm to 1550nm with emphasis on ultra violet (UV) and infrared (IR) technologies, special plastic lenses for LED light fixtures, and various clean room labels, wipers, and consumables.

Subsidiary Companies

Marubeni Metals & Minerals (Canada), Inc.

Aluminum business in Canada

Plant & Equipment

MAC is involved in the development, coordination, logistics, insurance, management, servicing, supply, investment in, and financing of plant-related business; for plant and equipment financing; and for import, export and third-country plant and equipment transactions. Our affiliate, Marubeni Plant Contractor, headquartered in Charlotte, North Carolina, provides design, engineering, general contract management for its clients interested in establishing manufacturing plants in the United States.

Subsidiary Companies

Belterra Corporation

Distributor of industrial conveyor belts and hoses

KMA Manufacturing LLC

Machine shop services

Marubeni Information Systems USA Corporation

Provides solutions for applications-oriented Industrial systems

Marubeni Plant Contractor, Inc.

General contractor for building construction, utility & equipment installation

Power Projects & Infrastructure

MAC is involved in business development related to the power industry in North America. Along with our affiliate, Marubeni Power International, Inc. , headquartered in New York City, we explore new areas of power generation, including nuclear power, delivery of utility-scale generation, including development, financing, ownership, and operation and maintenance. We also have several other affiliates in the power generation field, including Oak Creek Energy System, Inc. a wind power developer, also headquarted in San Diego, California and PIC Group of Companies a provider of maintenance and consulting service, headquartered in Atlanta, Georgia, and Marubeni Taqa Caribbean, Ltd, which generates significant supplies of electric power for countries in the Caribbean basin.

MAC also partners with other North American companies to develop and commercialize new energy technologies and business models in Asia together with our parent company in Japan. Working in concert with Marubeni Corporation, we are able to act as a conduit between North America and Japan for new technologies, products, and business models in the power and energy industries. In addition we continue to support ongoing gas turbine component sales and developing business for gas turbine generators in North America.

Group Companies

Marubeni Power International, Inc.

Marketing and development of power projects

Marubeni Taqa Caribbean, Ltd.

Holding company for power plants and power companies in the Caribbean area

Oak Creek Energy Systems Inc.

Wind energy development in the Southwestern United States

PIC Group, Inc.

Global service provider to the power generation industry

Subsidiaries

ADM Marubeni Transportation, LLC	Operation of freight 4666 Faries Parkway Decatur, IL 62526 Tel: (217) 451-4663
Advantage Funding Management Co, Inc.	Specialty commercial vehicle leasing and financing 1111 Marcus Avenue, Suite M27 Lake Success, NY 11042 Tel: (866) 392-1300 Fax: (718) 392-3933 Web site: www.advantagefund.com
Avenue Machinery Corporation	Sales of agriculture and Kubota construction equipment 1521 Sumas Way Abbotsford, BC V2T 6Z6 Tel: (604) 864-2665 Fax: (604) 864-2684 Web site: www.avenuemachinerycorp.com
Belterra Corporation	Distributor of industrial conveyor belts and hoses 1638 Fosters Way Delta, BC V3M 6S6 Tel: (604) 540-1950 Fax: (604) 540-4214 Web site: www.belterra.ca
CoActiv Capital Partners, Inc.	Vendor lease programs 655 Business Center Drive, Suite 250 Horsham, PA 19044 Tel: (267) 960-4000 Fax: (267) 960-4090 Web site: www.coactivcapital.com
CoActiv Capital Partners Canada, Inc.	Vendor lease finance programs 3310 South Service Road, #102 Burlington, ON L7N 3M6 Tel: (905) 634-5678 Fax: (905) 634-5608 Web site: www.coactivcapital.ca
Columbia Grain, Inc.	Grain merchandising 1300 SW Fifth Avenue, Suite 2929 Portland, OR 97201 Tel: (503) 224-8624 Fax: (503) 241-0296 Web site: www.columbiagrain.com
Energy U.S.A., Inc.	Trader of uranium and nuclear energy related equipment 1776 I Street NW, Suite 725 Washington DC 20006 Tel: (202) 785-9260 Fax: (202) 785-9262

Gallery Automotive Group, LLC	Automobile dealerships 918-920 Providence Highway, Route 1 Norwood, MA 02062 Tel: (781) 769-9600 Fax: (781) 769-1458 Web site: www.gallerygroup.com
Helena Chemical Company	Distributor of agricultural chemicals, seed and fertilizer 225 Schilling Boulevard, Suite 300 Collierville, TN 38017 Tel: (901) 761-0050 Fax: (901) 683-2960 Web site: www.helenachemical.com
Integrated Resources Holdings, Inc.	Paper distributor and printing consulting 300 Atlantic Street, Suite 701 Stamford, CT 06901 Tel: (203) 658-1200 Fax: (203) 658-1299 Web site: www.jseliezer.com www.atclayton.com
KM Distribucion De Maquinarias, S.A. de C.V.	Distributor of agricultural machinery Dos Cañas 3250-33 Col. La Nogalera, C.P. 44470 Guadalajara, Jal., Mexico Tel: (33) 3145-3336 Fax: (33) 3145-3337
KMA Manufacturing, LLC	Machine shop services 685 State Street Vanport, PA 15009 Tel: (724) 371-3059 Fax: (724) 728-9707 Web site: www.kma-usa.com
Long Island Automative Group, Inc.	Automobile dealerships 124 Greene Avenue Amityville, NY 11701 Tel: (631) 264-2244 Fax: (631) 798-0686 Web site: www.liag.net
Marubeni Auto & Construction Machinery America	Automobile and construction machinery dealerships 375 Lexington Avenue New York, NY 10017 Tel: (212) 450-0625 Fax: (212) 450-0779
Marubeni Aerospace America Corporation	Export of defense equipment 515 South Figueroa Street, Suite 2000 Los Angeles, CA 90071 Tel: (213) 972-2782 Fax: (213) 972-2804

Marubeni Business Machines (America), Inc.	Import and export of office automation equipment 6505 Blue Lagoon Drive, Suite 420 Miami, FL 33126 Tel: (305) 269-9292 Fax: (305) 269-9232
Marubeni Canada, Ltd.	Importer, exporter and distribution 505 Burrard Street, Suite 1630 Vancouver, BC V7X 1E5 Tel: (604) 443-3800 Fax: (604) 681-0498
Marubeni Caribbean Power Holdings	Holding company for power plants and power company in the Caribbean area 1165 Northchase Parkway, Suite 400 Marietta, GA 30067 Tel: (678) 905-5028 Fax: (678) 905-5029
Marubeni Citizen Cincom, Inc.	Distributor of CNC Swiss-type lathes 40 Boroline Road Allendale, NJ 07401 Tel: (201) 818-0100 Fax: (201) 818-1877 Web site: www.marucit.com
Marubeni Information Systems USA Corporation	Provides solutions for applications-oriented industrial systems 3945 Freedom Circle, Suite 1020 Santa Clara, CA 95054 Tel: (408) 330-0605 Fax: (408) 330-0785 Web site: www.marubeni-sysusa.com
Marubeni Maquinarias Mexico, S.A. de C.V.	Import, sales and service of Komatsu construction machinery Carr, Miguel Aleman Km 15.5 Apodaca, N.L. C.P. 66600 Mexico Tel: (52-81) 8220-3109 Fax: (52-81) 8220-3123 Web site: www.makomex.com
Marubeni Metals & Minerals (Canada), Inc.	Aluminum business in Canada 630 Rene-Levesque Boulevard West Montreal, QC H3B 1S6 Tel: (514) 874-9454 Fax: (514) 866-8574
Marubeni Oil & Gas (USA), Inc.	Oil and gas development and production in the Gulf of Mexico 777 North Eldridge Parkway, Suite 900 Houston, TX 77079 Tel: (832) 379-1101 Fax: (832) 379-1110
Marubeni Plant Contractor, Inc.	General Contractor for building construction, utility & equipment installation 11111 Carmel Commons Blvd. Suite 320 Charlotte, NC 28226 Tel: (704) 501-5062 Fax: (704) 392-3612 Web site: www.marubeni-mpci.com

Marubeni Power International, Inc.	Marketing and development of power projects 375 Lexington Avenue New York, NY 10017 Tel: (212) 450-0640 Fax: (212) 450-0749 Web site: www.marubeni-power.com
Marubeni Specialty Chemicals, Inc.	Import and export of specialty chemicals and plastics 10 Bank Street, Suite 740 White Plains, NY 10606 Tel: (914) 428-8900 Fax: (914) 428-8859 Web site: www.Chemdot.com
Marubeni Transport Service Corporation	Third party logistics service provider 180 East Ocean Boulevard, Suite 600 Long Beach, CA 90802 Tel: (562) 435-3722 Fax: (562) 432-8443 Web site: www.marubeni-trans.com
Midwest Railcar Corporation	General freight railcar operating leasing 4949 Autumn Oaks Drive, Suite B Maryville, IL 62062 Tel: (618) 288-2233 Fax: (618) 288-2871 Web site: www.midwestrailcar.com
MIECO, Inc.	Petroleum and natural gas traders 301 East Ocean Boulevard, Suite 1100 Long Beach, CA 90802 Tel: (562) 435-0085 Fax: (562) 432-2318 Web site: www.mieco.com
North Pacific Seafoods, Inc.	Processing and export of seafood 4 Nickerson Street, Suites 301 & 400 Seattle, WA 98109 Tel: (206) 726-9900 Fax: (206) 726-1571 Web site: www.northpacificseafoods.com
Oak Creek Energy Systems, Inc.	Wind energy development in the Southwestern United States 150 La Terraza Blvd. Escondido, CA 92025 Tel: (760) 975-0910 Fax: (760) 546-0654 Web site: www.oces.com
PIC Group, Inc.	Global service provider to the power generation industry 1165 Northchase Parkway, Suite 400 Marietta, GA 30067 Tel: (770) 850-0100 Fax: (770) 850-2200 Web site: www.picworld.com

PLM Trailer Leasing, Inc.	Refrigerated trailer leasing 100 Paragon Drive Montvale, NJ 07645 Tel: (201) 505-0011 Fax: (201) 334-5199 Web site: www.plmtrailer.com
Prime Automotive Warehouse, Inc.	Wholesale distributor of automotive parts 8631-A Polk Lane Olive Branch, MS 38654 Tel: (662) 890-6145 Fax: (800) 329-9312 Web site: www.primeautomotive.com
Train Trailer Rentals Limited	Trailer rental, lease, service & sales 400 Annagem Boulevard Mississauga, ON L5T 3A8 Tel: (905) 564-7247 Fax: (905) 564-7498 Web site: www.Traintrailer.com

Consolidated Balance Sheets

Marubeni America Corporation
At December 31, 2010 and 2009
(In Thousands)

	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	**$ 218,477**	$ 437,844
Accounts and notes receivable – customers, net of allowance for doubtful accounts of $11,546 in 2010 and $9,521 in 2009	**467,096**	377,296
Receivables from parent and affiliates	**820,807**	577,473
Inventory	**725,408**	621,262
Advance payments to suppliers	**446,368**	279,698
Other current assets	**459,744**	198,459
Total current assets	**3,137,900**	2,492,032
Investments and long-term receivables:		
Investments:		
Affiliated companies, at equity	**97,270**	84,560
Other	**49,495**	48,930
Long-term accounts and notes receivable – customers, net of allowance for doubtful accounts of $9,791 in 2010 and $7,180 in 2009	**283,899**	350,727
Total investments and long-term receivables	**430,664**	484,217
Due from parent and affiliates	**46,435**	69,108
Property, plant, equipment and leasehold improvements, at cost, less accumulated depreciation and amortization of $198,775 in 2010 and $183,314 in 2009	**262,872**	264,149
Goodwill	**89,272**	90,988
Intangible assets and other, net	**63,534**	69,901
Total assets	**$4,030,677**	$ 3,470,395

Consolidated Balance Sheets

Marubeni America Corporation
At December 31, 2010 and 2009
(In Thousands)

	2010	2009
Liabilities and shareholder's equity		
Current liabilities:		
Short-term loans	**$ 55,964**	$ 90,882
Acceptances payable to banks	**7,016**	7,393
Accounts payable	**646,943**	604,831
Advance payments from customers	**287,156**	241,464
Payables to parent and affiliates	**483,500**	413,407
Accrued expenses and other	**503,541**	267,887
Liabilities related to discounted receivables	**433,164**	266,679
Deferred income taxes	**14,277**	2,127
Long-term debt due within one year	**187,324**	234,068
Total current liabilities	**2,618,885**	2,128,738
Long-term debt	**410,188**	480,835
Deferred income taxes	**39,045**	40,983
Other noncurrent liabilities	**114,139**	66,033
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	**420,720**	319,765
Accumulated other comprehensive loss	**(58,643)**	(43,429)
Total Marubeni America Corporation shareholder's equity	**733,815**	648,074
Noncontrolling interests	**114,605**	105,732
Total shareholder's equity	**848,420**	753,806
Total liabilities and shareholder's equity	**$4,030,677**	$3,470,395

See accompanying notes.

Consolidated Statements of Income

Marubeni America Corporation
At December 31, 2010 and 2009
(In Thousands)

	2010	2009
Revenues (total volume of trading transactions: $13,526,003 in 2010 and $10,479,338 in 2009	**$3,938,009**	$ 3,668,004
Cost of revenues	**3,063,508**	2,896,933
Gross trading profit	**874,501**	771,071
Equity in net income of affiliated companies	**11,750**	4,768
	886,251	775,839
Interest expense – net of interest income of $ 15,973 in 2010 and $18,868 in 2009	**5,418**	10,477
Other expense – net	**9,965**	7,461
Selling, general and administrative expenses	**673,300**	613,030
	688,683	630,968
Income before provision for income taxes	**197,568**	144,871
Provision for income taxes	**77,100**	62,800
Net income	**120,468**	82,071
Less: Net income attributable to noncontrolling interests	**19,513**	14,311
Net income attributable to Marubeni America Corporation	**$ 100,955**	$ 67,760

See accompanying notes.

Consolidated Statements of Shareholder's Equity

Marubeni America Corporation
At December 31, 2010 and 2009
(In Thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
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						14,260
Comprehensive income						96,331
Purchase of noncontrolling interest	—	—	—	—	(1,635)	(1,635)
Dividends	—	—	—	—	(6,714)	(6,714)
Balance at December 31, 2009	353,273	18,465	319,765	(43,429)	105,732	753,806
Comprehensive income:						
Net income	—	—	**100,955**	—	**19,513**	**120,468**
Other comprehensive income (loss):						
Unrealized loss on available-for-sale securities, net of income tax	—	—	—	**(42)**	—	**(42)**
Change in fair value of derivative financial instruments, net of income tax	—	—	—	**(910)**	—	**(910)**
Translation adjustment	—	—	—	**3,152**	**407**	**3,559**
Change in pension and postretirement funded status, net of income tax	—	—	—	**(17,414)**	**(2,883)**	**(20,297)**
Other comprehensive income						**(17,690)**
Comprehensive income						**102,778**
Capital injections by noncontrolling interest	—	—	—	—	**319**	**319**
Dividends	—	—	—	—	**(8,483)**	**(8,483)**
Balance at December 31, 2010	**$ 353,273**	**$ 18,465**	**$ 420,720**	**$ (58,643)**	**$ 114,605**	**$ 848,420**

See accompanying notes.

Consolidated Statements of Cash Flows

Marubeni America Corporation
At December 31, 2010 and 2009
(In Thousands)

	2010	2009
Cash flows from operating activities		
Net income	**$ 120,468**	$ 82,071
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	**34,620**	36,804
Deferred income taxes	**22,700**	33,900
Bad debt expense and other noncash charges	**32,634**	40,559
Lower of cost or market write-down	**16,040**	21,400
Net gain on sale of investments and businesses	**(169)**	(3,153)
Net gain on sale of property, plant and equipment	**(1,054)**	(577)
Equity in net income of affiliated companies	**(11,750)**	(4,768)
Changes in operating assets and liabilities:		
Accounts and notes receivable – customers and affiliates	**(180,889)**	45,335
Inventory	**(113,201)**	180,296
Other assets	**(576,084)**	(107,853)
Accounts payable – customers and affiliates	**78,358**	61,821
Other liabilities	**308,734**	71,520
Net cash (used in) provided by operating activities	**(269,593)**	457,355
Cash flows from investing activities		
Net decrease in investments	**659**	12,278
Net (increase) decrease in short-term notes receivable— customers and affiliates	**(6,852)**	44,312
Increase in long-term accounts and notes receivable— customers and affiliates	**(192,302)**	(335,661)
Collection and sales of long-term accounts and notes receivable— customers and affiliates	**281,577**	265,036
Acquisition of property, plant, equipment and leasehold improvements	**(27,050)**	(55,888)
Proceeds from sale of property, plant and equipment	**9,946**	60,396
Business acquisitions	**(20,675)**	(6,750)
Net cash provided by (used in) investing activities	**45,303**	(16,277)
Cash flows from financing activities		
Net decrease in short-term loans and liabilities related to discounted receivables	**(10,038)**	(82,268)
Long-term borrowings	**110,495**	114,410
Repayments of long-term debt	**(237,139)**	(149,232)
Proceeds from discounted receivables	**897,044**	664,703
Repayments of liabilities related to discounted receivables	**(755,439)**	(747,758)
Net cash provided by (used in) financing activities	**4,923**	(200,145)
Net (decrease) increase in cash and cash equivalents	**(219,367)**	240,933
Cash and cash equivalents at beginning of year	**437,844**	196,911
Cash and cash equivalents at end of year	**$ 218,477**	$ 437,844
Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest	**$ 22,446**	$ 31,944
Income taxes	**$ 53,892**	$ 35,568

See accompanying notes.

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*.

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.

Sales of Accounts Receivable

A subsidiary of the Company enters into transactions to sell substantially all of its trade accounts receivable to a wholly-owned bankruptcy-remote special purpose subsidiary (the "Receivable SPE"), retaining service rights in the receivables owned by the Receivable SPE. The Company accounts for the sale of accounts receivable in accordance with FASB ASC 860, *Transfers and Servicing*.

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 of cost or market write-down of $16,040 and $21,400 at December 31, 2010 and 2009, respectively.

Bill of Exchange Restatement

The company periodically discounts accounts receivable from the parent under a full recourse arrangement with several financial institutions. Accordingly, the Company has a recourse obligation on the unpaid balance of such discounted receivables of approximately $433,000 and

$267,000 at December 31, 2010 and 2009, respectively. This recourse obligation is recorded as "Liabilities related to discounted receivables" in the accompanying consolidated balance sheets. The receivable from the parent which has been discounted and collateralized of an equivalent amount is included in "Receivables from parent and affiliates" in the accompanying consolidated balance sheets. The 2009 consolidated balance sheet and consolidated statement of cash flows have been restated to reflect the recognition of the recourse obligation and the related discounted receivable from the parent in the amount of approximately $267,000 at December 31, 2009. In addition, the 2009 consolidated statement of cash flows has been restated to increase the net cash flows used in financing activities by approximately $82,000, offset by a corresponding increase in operating cash flows related to discounting these accounts receivable with the financial institutions.

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 investments is not readily determinable. For the years ended December 31, 2010 and 2009, the Company incurred write- downs of $703 and $1,217, respectively, to reduce the carrying value of cost-method investments that experienced other-than-temporary impairments. During the years ended December 31, 2010 and 2009, the Company sold available-for-sale securities and realized gains of $16 on proceeds of $24 and realized gains of $2,108 on proceeds of $5,791, respectively.

Investment in Direct Financing Leases

The Company has investment in direct financing leases which consist of the minimum lease payments, estimated residual value of the leased equipment and initial direct costs, less unearned income. At lease inception, unearned income represents the amount by which the minimum lease payments due under the contract plus the estimated residual value exceeds the cost of the assets. 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. The Company has a policy in place regarding the amount of collateral required for each asset.

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 occasionally retains servicing responsibilities for the leases sold. In accordance with FASB ASC 860-20, *Accounting for Sales of Financial Assets*, 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 transferred assets is received in exchange. The Company generally does not retain any interest in the investments in leases, except for the residual values. 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 initial direct costs and other amortized 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, 2010 and 2009, depreciation of leased property under capital leases of $901 and $985 respectively, is charged against cost of revenues in the accompanying consolidated statements of income.

During the years ended December 31, 2010 and 2009, the Company recorded depreciation expense of $29,990 and $31,977, respectively.

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 2010, the Company recognized impairment charge on the trailers held for sale, but the amount was immaterial. 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 recognized impairment charge of $9,573 to write down the carry value of the trailers.

Goodwill and Intangible Assets

Goodwill represents the excess of purchase price over the fair value of acquired companies or businesses. Intangible assets represent trade names which include both amortizable and unamortizable assets and noncompete agreements and customer relationships which are amortized on a straight-line basis over the term of the agreements or estimated useful lives. The Company tests impairment for goodwill by reporting unit and indefinite-lived intangible assets using the two-step process 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 and intangible assets. During the Company's annual goodwill impairment test, management identified a potential impairment for one of its reporting units. The Company then determined the reporting unit's goodwill was fully impaired and recognized an impairment loss of $5,685 during 2010. During the year ended 2009, no impairment occurred.

Finite-lived 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 year ended 2010, the Company determined that a reporting unit's customer lists were fully impaired and recognized an impairment loss of $1,480. During the year ended 2009, 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.

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 cross-currency interest rate swaps is recognized as an adjustment to interest expense. Such agreements have been designated as fair valu-hedges. During 2010 and 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 contracts 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 $46,000 and $202,000, respectively, at December 31, 2010 and 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 September 2011 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 ¥3,500,000 and ¥2,800,000 at December 31, 2010 and 2009, respectively.

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, 2010 and 2009, the notional amount of commodity contracts the Company holds as derivative instruments were approximately $49,000 and $91,000, respectively. At December 31, 2010, the outstanding derivative instruments not designated or qualifying as hedging instruments resulted in a gain of approximately $1,000 and a loss of approximately $2,000. Additionally, the Company holds outstanding derivative instruments on behalf of the Parent and an affiliate which amounted to a gain of approximately $155,000 and a loss of approximately $277,000 at December 31, 2010, and a gain of approximately $22,000 and a loss of approximately $41,000 at December 31, 2009.

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 statements of income, but are 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, 2010 and 2009.

(In Thousands)

The fair value and location of the assets and liabilities associated with the Company's derivative financial instruments recorded in the consolidated balance sheets as of December 31, 2010 and 2009 were as follows:

Assets

Derivatives Designated as Hedging Instruments Under ASC 815	Balance Sheet Location	Fair Value as of December 31 2010	2009	Balance Sheet Location	Fair Value as of December 31 2010	2009
Cross-currency and income rate swaps	Other current assets	**$ 16,182**	$ 5,473	Accrued expenses and other	**$ 423**	$ 673
	Intangible asset and other, net	**–**	8,594	Other noncurrent liabilities	**2,630**	1,324
Foreign exchange contracts	Other current assets	**808**	540	Accrued expenses and other	**1,228**	1,339
Commodity contract	Other current assets	**156,735**	25,987	Accrued expenses and other	**282,999**	55,385
Total derivatives		**$173,725**	$ 40,594		**$ 287,280**	$58,721

The effect of derivative financial instruments designated as fair value hedges on the consolidated statements of income for December 31, 2010 and 2009 were as follows:

Derivatives Designated as Hedging Instruments Under ASC 815	Gain (Loss) on Derivatives Recognized in Income 2010	2009	Location	Gain (Loss) on Hedged Items Recognized in Income 2010	2009	Location
Cross currency Swap	**$ 2,115**	$ (3,424)	Other Expenses-Net	**$ (2,115)**	$ 3,424	Other Expenses-Net
Commodity contract	**(1,794)**	(10,492)	Cost of Revenue	**1,794**	10,492	Cost of Revenue
Total before tax	**$ 321**	$ (13,916)		**$ (321)**	$ 13,916	

The effect of derivative financial instruments designated as cash flow hedges in the accumulated other comprehensive income ("OCI") on the consolidated balance sheets and consolidated statements of income for December 31, 2010 and 2009 were follows:

Derivatives Designated as Hedging Instruments Under ASC 815	Amount of Gain (Loss) Recognized in OCI. 2010	2009	Amount of Gain (Loss) Reclassified from OCI to Earnings 2010	2009	Location
Commodity Contract	**$ 386**	$ 1,948	**$ 544**	$ (771)	Cost of Revenue
Interest rate swap	**(2,805)**	(1,053)	**(2,160)**	(1,711)	Interest Expenses
Foreign currency contract	**(2,776)**	(2,053)	**(2,717)**	(2,550)	Other Expenses-Net
Total after tax	**$ (5,195)**	$ (1,158)	**$ (4,333)**	$ (5,032)	

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.

Vendor Rebates

The Company applies the guidance pursuant to FASB ASC 605-50, *Customer Payments and Incentives*. 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 $41,211 and $41,368 of vendor rebates for purchases in 2010 and 2009, respectively, relate to inventories still on hand, therefore reducing inventory by these amounts at December 31, 2010 and 2009.

Change in Accounting

Effective January 1, 2010, the Company adopted 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 effect of adopting this standard did not have a significant impact on the Company's consolidated financial statements at December 31, 2010.

In January 2010, the FASB issued ASU 2010-06, which amends ASC 820, *Fair Value Measurements and Disclosures*, and requires more robust disclosures about the different classes of assets and liabilities measured at fair value, the valuation techniques and inputs used, the activity in Level 3 fair value measurements, and the transfers between Levels 1, 2 and 3. The Company adopted this new accounting guidance in the year ending December 31, 2010 except for the disclosures about purchases, sales, issuances and settlements in the rollforward of activity in Level 3 fair value measurements, which will be effective in the year ending December 31, 2011. The adoption of the provisions effective in the year ending December 31, 2011 is not expected to have a significant impact on the Company's consolidated financial statements.

In July 2010, the FASB issued Accounting Standards Update ("ASU") 2010-20, *Receivables (Topics 310), Disclosures about the Credit Quality of Financing Receivables and Allowance for Credit Losses*, which requires entities to provide extensive disclosures about their financing receivables, including credit risk exposures and the allowance for credit losses. Such disclosures are effective for the Company in the year ending December 31, 2011. The Company is currently evaluating the impact of this ASU of the disclosure requirements of its consolidated financial statements.

(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, 2010 and 2009, the total volume of these transactions with the Parent or affiliates was approximately $7,494,000 and $5,274,000, 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 2010 and 2009 were cash outflows of $63,135 and cash inflows of $65,890, 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.

4 | Long-Term Accounts and Notes Receivable

Long-term accounts and notes receivable at December 31, 2010 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, 2010 and 2009, short-term loans consist of notes payable to banks.

Long-term debt consists of the following:

	December 31	
	2010	2009
Long-term debt to banks and financial institutions	**$ 597,512**	$ 714,903
Less:		
Long-term debt due within one year	**187,324**	234,068
Long-term debt due after one year	**$ 410,188**	$ 480,835

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 $377,000. The range of interest rates at December 31, 2010 and 2009 under these agreements was from 0.42% to 8.50% and

(In Thousands)

0.48% to 7.30%, respectively. Several of such agreements with banks totaling approximately $1,000 are secured by receivables and other assets.

The Company has secured and unsecured credit lines with banks with an aggregate borrowing limit of $365,000 as of December 31, 2010 and 2009. The Company, also in conjunction with the Parent and some related companies, has unsecured credit lines with banks with aggregated borrowing limits of $515,000. There was no amount outstanding under these lines as of December 31, 2010.

Long-term debt at December 31, 2010 matures at various dates through 2015. The approximate aggregate maturities of long-term debt are as follows: 2011 – $187,324; 2012 – $211,384; 2013 – $121,005; 2014 –$56,999 and 2015 – $20,800.

6 | Fair Value Measurements

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, 2010 and 2009:

	Fair Value Measurement as of December 31, 2010 Using			
	Fair Value as of December 31, 2010	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	$ 3,088	$ 3,088	$ —	$ —
Derivatives	173,725	—	173,725	—
Liabilities				
Derivatives	287,280	—	287,280	—

	Fair Value Measurement as of December 31, 2009 Using			
	Fair Value as of December 31, 2009	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	—

(In Thousands)

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 rates at that time.

The Company recorded the deferred purchase price and subordinated interest from sales of accounts receivable in other current assets, as discussed in Note 21. Based on the nature of transactions, the two key assumptions used in determining the fair value of these amounts 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. The Company considers these as Level 3 inputs.

Long-lived asset impairments of $9,573 at December 31, 2009, as discussed in Note 1, are 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.

Goodwill impairments of $5,685 at December 31, 2010, as discussed in Note 1, are calculated based on the fair value of the reporting unit estimated using a discounted cash flow valuation model. The key assumptions, including the discount rate, terminal growth rate and cash flow projections, represent significant unobservable inputs, which are considered Level 3 inputs.

Intangible asset impairments of $1,480 at December 31, 2010, as discussed in Note 1, are calculated based on the fair value of the customer relationship estimated using the excess earnings method. The key assumptions, including the discount rate and revenue projections, represent significant unobservable inputs, which are considered Level 3 inputs.

The Company adopted certain provision of FASB 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.

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 95.9% of the total assets owned by the multiemployer plan as of December 31, 2010. The following table sets forth the fair values of the total plan assets including the multiemployer plan as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds	$ 24,773	$ —	$ —	$ 24,773
Common/collective trust funds	—	270,253	—	270,253
Total	$ 24,773	$ 270,253	$ —	$ 295,026

7 Derivatives and Other Financial Instruments

Most of the Company's existing derivative positions qualified for hedge accounting under the provisions of FASB ASC 815, *Derivatives and Hedging*, except for certain commodity future transactions entered into on 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.

(In Thousands)

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, 2010 and 2009, the fair value of these securities was $3,088 and $3,163, 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 $46,407 and $45,767 at December 31, 2010 and 2009, 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.

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, 2010 and 2009, the carrying value of loans payable with fixed rates was $597,512 and $714,903, respectively, and the fair value of the loans payable was $603,095 and $722,953, 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:

	2010	2009
Leased property under capital leases	**$ 7,529**	$ 9,183
Less accumulated amortization	**1,923**	2,227
	$ 5,606	$ 6,956

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.

(In Thousands)

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, 2010:

Year ending December 31:

2011	$ 1,124
2012	1,124
2013	1,593
2014	628
Total minimum lease payments	4,469
Less amount representing interest	440
Present value of net minimum lease payments	$ 4,029

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:

	2010	2009
Total minimum lease payments to be received	**$ 297,099**	$ 388,563
Less unearned income	**49,893**	57,672
Net investment in direct financing leases	**$ 247,206**	$ 330,891

At December 31, 2010, total minimum lease payments are due in the following contractual installments:

2011	$ 118,042
2012	78,796
2013	51,479
2014	24,173
2015	12,607
Thereafter	12,002
	$ 297,099

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.

(In Thousands)

During the years ended December 31, 2010 and 2009, the Company sold lease receivables having an aggregate net investment of approximately $34,600 and $22,200, respectively. In connection with these sales, the Company recognized net gains of $1,700 and $500, 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, 2010 and 2009, the total portfolio balance sold and being serviced was approximately $86,000 and $96,100, respectively, and the Company recorded servicing income related to all portfolios sold of approximately $1,800 and $1,100 in 2010 and 2009, respectively.

10 | Property, Plant, Equipment and Leasehold Improvements

The following is a summary of property, plant, equipment and leasehold improvements as of December 31, 2010 and 2009.

	2010	2009
Property, plant, equipment and leasehold improvements:		
Land	$ 15,250	$ 13,917
Buildings and leashold improvements	169,869	164,198
Machinery and equipment	267,720	257,618
Construction-in-progress	8,808	12,230
	461,647	447,963
Less accumulated depreciation	198,775	183,814
Property, plant equipment and leasehold improvement net	$ 262,872	$ 264,149

11 | Rental Equipment

The following is a summary of rental equipment as of December 31, 2010 and 2009, which is included under property, plant, equipment and leasehold improvements and excludes the leased property in Note 8:

	2010	2009
Trailers and vehicles, at cost	$ 80,035	$ 81,009
Less accumulated depreciation	24,687	24,811
	$ 55,348	$ 56,198

At December 31, 2010, minimum future revenues from long-term leases are as follows:

2011	$ 28,603
2012	19,540
2013	13,719
2014	6,899
2015	2,123
Thereafter	896
	$ 71,780

(In Thousands)

12 | Goodwill

Accumulated impairment losses at December 31, 2010 and 2009 are $5,685 and $0, respectively.

The changes in the net carrying amount of goodwill for the years ended December 31, 2010 and 2009 are as follows:

	2010	2009
Goodwill, beginning of year	**$ 90,988**	$ 89,979
Aquisition	**3,692**	–
Impairment	**(5,685)**	–
Acquisitions to purchase price allocation and earn out payments	**–**	323
Effect of foreign currency translation	**277**	686
Goodwill, end of year	**$ 89,272**	$ 90,988

13 | Intangible Assets and Other, Net

Intangible assets and other, net includes intangible assets of $48,770 and $46,313, and other assets of $14,764 and $23,588 as of December 31, 2010 and 2009, respectively. Intangible assets are comprised of the following at December 31:

	2010	2009
Non-compete agreements	**$ 6,834**	$ 6,274
Customer relationships	**22,478**	19,278
Customer lists	**8,458**	8,085
Trade name and other	**21,695**	20,944
Total gross carrying amount	**59,465**	54,581
Less accumulated amortization	**10,695**	8,268
Total	**$ 48,770**	$ 46,313

The Company recorded amortization expense of $3,547 and $3,494 for the years ended December 31, 2010 and 2009, respectively.

The weighted-average total amortization periods for the finite-lived intangible assets as of December 31, 2010 are as follows (in years):

Non-compete agreements	5.5
Customer relationships	16.3
Customer lists	10.2
Total	13.01

(In Thousands)

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

2011	$ 3,713
2012	3,150
2013	2,884
2014	2,589
2015	2,471
Thereafter	12,878
	$ 27,685

14 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.

Change in projected benefit obligation, plan assets and accumulated benefit obligation of the pension plans at 2010 and 2009 are as follows:

	2010	2009
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	**$ 253,060**	$ 217,449
Service cost	**9,852**	8,427
Interest cost	**15,817**	13,514
Actuarial loss	**46,173**	20,121
Benefits paid	**(7,475)**	(6,451)
Projected benefit obligation at end of year	**$ 317,427**	$ 253,060
Change in plan assets		
Fair value of plan assets at beginning of year	**$ 230,079**	$ 175,451
Actual return on plan assets	**29,861**	38,357
Employer contribution	**30,603**	22,722
Benefits paid	**(7,475)**	(6,451)
Fair value of plan assets at end of year	**$ 283,068**	$ 230,079

(In Thousands)

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, 2010 and 2009, respectively:

	2010	2009
Funded status	**$ (34,359)**	$ (22,981)
Accrued pension liabilities	**$ (34,359)**	$ (22,981)

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, 2010 and 2009 are as follows:

	2010	2009
Actuarial loss	**$ (116,110)**	$ (88,505)
Prior service cost	**–**	(22)
Accumulated other comprehensive loss and tax effect	**(116,110)**	(88,527)
Cumulative employer contribution in excess of net periodic pension cost	**81,751**	65,546
Net amount recognized in consolidated balance sheets	**$ (34,359)**	$ (22,981)

The actuarial loss included in accumulated other comprehensive loss and expected to be recognized in net periodic pension cost during the year ending December 31, 2011 is $9,310.

The net periodic pension cost for the years ended December 31, 2010 and 2009 consists of the following:

	2010	2009
Service cost	**$ 9,852**	$ 8,427
Interest cost	**15,817**	13,514
Expected return on plan assets	**(18,145)**	(14,600)
Amortization of prior service cost	**22**	65
Recognized actuarial loss	**6,852**	7,606
Total net periodic pension cost	**$ 14,398**	$ 15,012

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:

	2010	2009
Aggregate projected benefit obligation	**$ 307,167**	$ 244,243
Aggregate fair value of plan assets	**271,086**	220,044

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:

	2010	2009
Aggregate accumulated benefit obligation	**$ 47,378**	$ 40,794
Aggregate fair value of plan assets	**43,189**	38,926

(In Thousands)

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

	December 31	
	2010	2009
Assumed discount rate	**5.37 – 5.87%**	6.35%
Rate of increase in compensation levels	**4.94% – 5.00%**	4.94% – 5.00%

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

	Year Ended December 31	
	2010	2009
Assumed discount rate	**6.35%**	6.50%
Rate of increase in compensation levels	**4.94% – 5.00%**	4.90% – 5.00%
Expected long-term rate of return on plan assets	**6.70% – 7.75%**	7.75% – 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:	
2011	$ 9,425
2012	10,534
2013	11,890
2014	13,442
2015	14,943
Five years thereafter	99,896
Total	$ 160,130

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 target asset allocations for the plans' limited equity exposure to 49%, debts exposure to 47% and real estate exposure to 4%. The pension plans' weighted-average actual asset allocation at December 31, 2010 and 2009, by asset category, is as follows:

Asset Category	**2010**	2009
Equity securities	**49%**	51%
Debt securities	**46**	44
Real estate	**4**	4
Cash	**1**	1
Total	**100%**	100%

The Company expects to contribute $15,340 to its pension plans in 2011. No plan assets are expected to be returned to the Company during the year ending December 31, 2011.

(In Thousands)

15 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, 2010 and 2009, 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.

The change in the accumulated postretirement benefit obligation and funded status of postretirement benefits for 2010 and 2009 are as follows:

	2010	2009
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 32,181**	$ 25,966
Service cost	**1,204**	856
Interest cost	**2,012**	1,574
Plan participants' contributions	**412**	348
Retiree drug subsidy receipts	**127**	57
Actuarial loss	**3,984**	5,037
Benefits paid	**(1,268)**	(1,657)
Benefit obligation at end of year	**$ 38,652**	$ 32,181
Funded status	**$ (38,652)**	$ (32,181)
Net amount accrued	**$ (38,652)**	$ (32,181)

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.

Amounts recognized in accumulated other comprehensive income in the accompanying consolidated balance sheets at December 31, 2010 and 2009 are as follows:

	2010	2009
Actuarial loss	**$ (11,199)**	$ (7,513)
Prior service credit	**4,723**	5,533
Accumulated other comprehensive income before tax effect	**(6,476)**	(1,980)
Cumulative net periodic pension cost in excess of employer contribution	**(32,176)**	(30,201)
Net amount recognized in consolidated balance sheets	**$ (38,652)**	$ (32,181)

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, 2011 is $516 and $(810), respectively.

(In Thousands)

Net periodic postretirement benefit cost included the following:

	Year Ended December 31 2010	2009
Service cost	**$ 1,204**	$ 856
Interest cost	**2,012**	1,574
Amortization of prior service credit	**(810)**	(810)
Recognized actuarial loss	**299**	–
Total postretirement benefit cost	**$ 2,705**	$ 1,620

Weighted-average assumed discount rates of 6.35% and 6.50% were used for the years ended December 31, 2010 and 2009, respectively, in determining the net postretirement benefit cost. Weighted-average assumed discount rates of 5.87% and 6.35% were used as of December 31, 2010 and 2009, 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 2010	2009
Health care cost trend rate assumed for next year	**7.30%**	7.40%
Rate to which the cost trend is assumed to decline (the ultimate trend rate)	**4.50**	4.50
Year that the rate reaches the ultimate trend rate	**2027**	2027

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 2010 of postretirement benefits by $661 and the accumulated benefit obligation by $7,321 at December 31, 2010. A 1% decrease in the assumed health care cost trend rate would have decreased the cost during 2010 of postretirement benefits by $517 and the accumulated benefit obligation by $5,817 at December 31, 2010.

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:

Year ending:	Net Expected Benefit Payments
2011	$ 1,019
2012	1,141
2013	1,309
2014	1,471
2015	1,647
Five years thereafter	10,837
Total	$ 17,424

(In Thousands)

16 Defined Contribution Plan

The Company has various defined contribution plans. The Company made contributions to the plans for the years ended December 31, 2010 and 2009 in the amount of $5,247 and $5,006, respectively.

17 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 approximately $180,000 and $152,000 at December 31, 2010 and 2009, 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, 2010 and 2009, the Company has gross deferred tax liabilities of approximately $233,000 and $195,000, respectively, related primarily to differences in depreciation, pension expense and investment in partnerships.

The provision for income taxes consists of the following:

	Years Ended December 31 **2010**	2009
Current:		
Federal	**$ 44,100**	$ 17,100
State and local	**10,300**	11,800
Deferred:		
Federal	**20,100**	29,900
State and local	**2,600**	4,000
	$ 77,100	$ 62,800

For the years ended December 31, 2010 and 2009, the difference between the provision for income taxes and the provision computed at the statutory federal income tax rate is due to state and local taxes and certain non-deductible expenses.

At December 31, 2010 and 2009, 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 $28,000 and $25,000 as of December 31, 2010 and 2009, respectively.

The Company recognizes interest and accrued related penalties to unrecognized tax benefits in interest expense and operating expenses, respectively. For the years ended December 31, 2010 and 2009, the Company recognized interest and penalties of approximately $949 and $984, respectively. Approximately $2,043 and $1,094 for the payment of interest and penalties were accrued at December 31, 2010 and 2009, respectively. The Company does not view it as reasonably possible that a portion of the unrecognized tax benefits will significantly increase or decrease within the next 12 months.

The Company files income tax returns in the U.S. federal jurisdiction and various states. With few exceptions, the Company is no longer subject to U.S. federal or state and local income tax examinations by tax authorities for years before 2006. The Company is presently under examination by the Internal Revenue Service ("IRS") for the years 2006 through 2009 and some state income tax returns are under examination. As of December 31, 2010, the Company believes that it has provided sufficiently for all audit exposures.

(In Thousands)

18 Other Comprehensive income

The amount of income tax expense or benefit allocated to each component of other comprehensive income (loss) for the years ended December 31, 2010 and 2009 is as follows:

	2010		
	Before-Tax Amount	**Tax Expense**	**Net-of-Tax Amount**
Unrealized losses on available-for-sale securities arising during the year	**$ (69)**	**$ 27**	**$ (42)**
Change in fair value of derivative financial instruments	**(1,444)**	**534**	**(910)**
Translation adjustment	**3,152**	**—**	**3,152**
Change in pension and postretirement funded status	**(28,630)**	**11,216**	**(17,414)**
Other comprehensive (loss) income	**$ (26,991)**	**$ 11,777**	**$ (15,214)**

	2009		
	Before-Tax Amount	Tax Benefit	Net-of-Tax Amount
Unrealized gains on available-for-sale securities arising during the year	$ 908	$ (353)	$ 555
Change in fair value of derivative financial instruments	6,340	(2,449)	3,891
Translation adjustment	6,270	—	6,270
Change in pension and postretirement funded status	4,478	(2,127)	2,351
Other comprehensive income (loss)	$ 17,996	$ (4,929)	$ 13,067

The accumulated balance of each component of accumulated other comprehensive income (loss) at December 31, 2010 and 2009 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, 2008	$ (1)	$ (5,311)	$ 13	$ (51,197)	$ (56,496)
Unrealized gains (losses) 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)
Unrealized (losses) gains arising during the year	**(52)**	**(5,243)**	**3,152**	**(21,039)**	**(23,182)**
Less reclassification adjustment for (losses) gains included in net income	**(10)**	**(4,333)**	**—**	**(3,625)**	**(7,968)**
Change in 2010	**(42)**	**(910)**	**3,152**	**(17,414)**	**(15,214)**
Balance at December 31, 2010	**$ 512**	**$ (2,330)**	**$ 9,435**	**$ (66,260)**	**$ (58,643)**

19 Commitments and Contingencies

At December 31, 2010 and 2009, the Company has guaranteed the indebtedness of certain affiliates amounting to approximately $76,000 and $75,000, respectively.

The minimum commitment for the rental of office facilities and equipment under noncancelable operating leases at December 31, 2010 was $332,129 payable as follows: 2011 – $83,744; 2012 – $51,738; 2013 – $42,609; 2014 – $25,752; 2015 – $16,785 and thereafter – $111,501. The Company is also responsible for rent escalations based upon increases in real estate taxes and other building operating costs.

Total rent expense amounted to approximately $94,000 and $90,000 for the years ended December 31, 2010 and 2009, respectively.

At December 31, 2010 and 2009, a subsidiary had entered into commitments to purchase components of trailers for approximately $9,200 and $100, respectively.

The outstanding letters of credit at December 31, 2010 and 2009 are $10,690 and $7,434, 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, 2010 in the consolidated balance sheets.

20 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.

21 Sale of Accounts Receivable

In 2010, the Receivable SPE sold, on an ongoing basis, all of its receivables to an unrelated company (the "Securitization Company") for cash and a deferred purchase price, which is payable only to the extent the Securitization Company collects amounts due under the sold receivables. In 2009, the Receivable SPE sold a senior undivided interest in its receivables to the Securitization Company. The Receivable SPE has no repurchase agreements with the Securitization Company except in the event the receivables do not meet defined eligibility criteria. The related subordinated interest on the Company's consolidated balance sheet in 2009 and the deferred purchase price receivable on the Company's consolidated balance sheet in 2010 provide credit enhancements to the Securitization Company. The related agreement with the Securitization Company expires in June 2011.

The Company services, administers, and collects the receivables on behalf of the Receivable SPE and the Securitization Company.

The Company accounts for receivables transfers to the Securitization Company as sales pursuant to FASB ASC 860-10, *Transfers and Servicing*. The Company recorded losses on sale of receivables of $5,049 and $5,030 in 2010 and 2009, respectively.

The net proceeds from the securitization transactions were used for the reduction of other short- term obligations and are reflected as operating cash flows in the accompanying consolidated statements of cash flows.

As of December 31, 2010, the estimated fair value of the deferred purchase price was $81,238. As of December 31, 2009, the estimated fair value of the subordinated interest was $50,037. As of December 31, 2009, management of the subsidiary estimated uncollectible accounts receivable of $13,552 for the accounts receivable that the subsidiary manages with respect to the securitization, which totaled $259,563.

Credit losses, net of recoveries, related to these receivables during 2010 and 2009 were $3,431 and $3,291, respectively. The discount rate used to estimate the value of the retained interests during 2010 and 2009 was 1.94% and 1.99%, 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 deferred purchase price.

22 | Sale of Loans Receivable

A subsidiary of the Company originates loans, subject to pre-defined underwriting criteria, and enters into agreements to sell participations in the loans to a financial institution with recourse pursuant to a participation agreement (the "Program"). While the principal balance of the participation usually is 100% of the related loan's principal balance, the participation's interest rate may not equal the related loan's interest rate. The related agreement with the financial institution expires in June 2011.

The subsidiary sells the loans receivable and its rights and obligations under the related participation agreement to an unconsolidated wholly-owned bankruptcy-remote special purpose entity (the "Loan SPE") for fair market value. The Loan SPE is a distinct legal entity that engages in no trade, business, or activity other than as described below to make remote the possibility that the Loan SPE would enter bankruptcy or other receivership. The financial institution services, administers, and collects the loans on behalf of the Loan SPE and the financial institution. Participation proceeds received by the Loan SPE from the financial institution are immediately remitted by the Loan SPE to the subsidiary.

The Program is made up of two different loan participation programs. Under the first program, the Loan SPE 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 Loan SPE agrees to pay the financial institution 100% of the loan loss after the financial institution reaches its loan loss limit, up to the Loan SPE's limit of liability. At December 31, 2010 and 2009, the limit of liability of the Loan SPE for this program is $11,933 and $10,593, respectively. The loan loss limit assumed by the financial institution is equal to 1% of the aggregate principal amount of loans included in the pool for the year. Loans under this program totaled $103,625 and $102,390 at December 31, 2010 and 2009, respectively.

Under the second program with the same financial institution, the subsidiary sells a 100% participation in a loan originated by the subsidiary with varying levels of recourse ranging from 0% to 20%, up to the Loan SPE's limit of liability. 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 limit of liability of the Loan SPE for this program was $451 and $426 at December 31, 2010 and 2009, respectively. At December 31, 2010 and 2009, outstanding loans sold under this program were $30,212 and $28,069, respectively.

The subsidiary's maximum economic loss exposure related to the program is limited to the subsidiary's investment in the Loan SPE of $17,728 and $15,028 at December 31, 2010 and 2009, respectively, as the financial institution has agreed that all recourse is the sole obligation of the Loan SPE and since the subsidiary is not obligated to fund or otherwise invest in the Loan SPE. The receivables due from the Loan SPE of $3,770 and $2,262 at December 31, 2010 and 2009, respectively, represent loans sold to the Loan SPE but not paid for at year end.

The Company accounts for its transfer of loans as sales pursuant to ASC 860, *Transfers and Servicing*. Assets derecognized as a result of the securitization under the first program totaled $103,625 and $102,390 at December 31, 2010 and 2009, respectively. Assets derecognized under the second program totaled $29,697 and $27,693 at December 31, 2010 and 2009, respectively.

The subsidiary's net proceeds from both programs in 2010 and 2009 were used to reduce other short-term obligations and are reflected as operating cash flows in the accompanying consolidated statements of cash flows.

(In Thousands)

23 Business Acquisition

During 2010, the Company paid $21,740 to acquire the assets of seven businesses. During 2009, the Company paid $6,750 to acquire the assets of three 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:

	2010	2009
Inventory	**$ 6,985**	$ 1,499
Property, plant and equipment and leasehold improvements	**8,172**	5,379
Intangibles assets and other, net	**13,275**	292
Accounts payables and other liabilities	**(6,692)**	(420)
Net assets acquired	**$ 21,740**	$ 6,750

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.

24 Subsequent Event

In accordance with FASB ASC 855, the Company has evaluated subsequent events through April 12, 2011, 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.

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