(thousands of dollars unless otherwise indicated)

Derivative instruments: The Company utilizes derivative instruments as part of its overall financial risk management policy. The Company entered into interest rate swap contracts during 2003 and 2002 primarily to hedge against interest rate risks. See Note 8. The Company also entered into option and forward currency exchange contracts in 2004, 2003 and 2002 primarily to hedge against foreign currency risk exposure. See Note 13. The Company does not use derivative instruments for speculative or trading purposes.

Goodwill. Goodwill represents the cost in excess of fair value of net assets acquired in business combinations accounted for by the purchase method. Effective January 1, 2002, the Company adopted SFAS No. 142 that discontinued amortization of goodwill and requires goodwill to be tested periodically for impairment. See Note 4.

Intangible assets. Intangible assets include trademarks, non-compete covenants and certain intangible property rights. Pursuant to the adoption of SFAS No. 142, trademarks have been classified as indefinite-lived assets and amortization was discontinued effective January 1, 2002. The cost of non-compete covenants and certain intangible property rights are amortized on a straight-line basis over the expected period of benefit as follows:

	Useful Life
Non-compete covenants	2 – 7 years
Certain intangible property rights	3 – 20 years

Accumulated amortization of intangible assets was $130,865, $114,833 and $106,868 at December 31, 2004, 2003 and 2002, respectively. See Note 4.

Investment in life insurance. On October 1, 2003, the Company surrendered its broad-based corporate owned life insurance policies. The net expense associated with such investment during 2003 and 2002 was included in Other expense - net. Such expense was immaterial to Income before income taxes, minority interest and cumulative effect of change in accounting principle. A receivable of $325 and $9,841 for the remaining amounts due under the program was included in Other assets at December 31, 2004 and 2003, respectively.

Impairment of long-lived assets. In accordance with Statement of Financial Accounting Standards (SFAS) No. 144, management evaluates the recoverability and estimated remaining lives of long-lived assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed. See Note 4.

Property, plant and equipment. Property, plant and equipment is stated on the basis of cost. Depreciation is provided by the straight-line method. The major classes of assets and ranges of annual depreciation rates are as follows:

Buildings	2% – 6-2/3%
Machinery and equipment	4% – 33-1/3%
Furniture and fixtures	5% – 33-1/3%
Automobiles and trucks	10% – 33-1/3%

Letters of credit. The Company occasionally enters into standby letter of credit agreements to guarantee various operating activities. These agreements, which expire in 2005, provide credit availability to the various beneficiaries if certain contractual events occur. Amounts outstanding under these agreements totaled $15,633, $13,282 and $13,273 at December 31, 2004, 2003 and 2002, respectively.

Foreign currency translation. All consolidated non-highly inflationary foreign operations use the local currency of the country of operation as the functional currency and translated the local currency asset and liability accounts at year-end exchange rates while income and expense accounts were translated at average exchange rates. The resulting translation adjustments were included in Cumulative other comprehensive loss, a component of Shareholders' equity.

Comprehensive income. At December 31, 2004, 2003 and 2002, the ending accumulated balance of Cumulative other comprehensive loss included adjustments for foreign currency translation of $203,234, $221,016 and $252,838, respectively, a minimum pension liability of $6,858, $8,252 and $8,334, respectively, and at December 31, 2004 only, an adjustment for unrealized gains on marketable equity securities of $510.