

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003, 2002, 2001

The following sets forth the pension plan’s funded status, components of pension costs and amounts (in thousands) at the pension plan measurement date of December 31, 2003 and September 30, 2002:

PENSION BENEFITS	2003	2002
<i>Change in Projected Benefit Obligation:</i>		
Projected benefit obligation at beginning of year	\$ 426,885	\$ 373,434
Service cost	5,189	5,539
Interest cost	28,089	27,238
Actuarial loss	26,166	37,632
Benefits paid	(22,535)	(20,518)
Plan change	–	3,560
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	463,794	426,885
<i>Change in Plan Assets:</i>		
Fair value of plan assets at beginning of year	319,113	339,838
Actual return on plan assets	80,126	(20,207)
Contributions	48,950	20,000
Benefits paid	(22,535)	(20,518)
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	425,654	319,113
Funded Status	(38,140)	(107,772)
Unrecognized net actuarial loss	120,995	144,328
Unrecognized prior service cost	2,927	3,109
PREPAID PENSION COST	\$ 85,782	\$ 39,665

The amounts recognized in the Consolidated Balance Sheet consist of:

Prepaid benefit costs	\$ 85,782	\$ 39,665
Additional minimum liability	(123,922)	(147,437)
	\$ (38,140)	\$ (107,772)

Weighted - Average Assumptions Used to Determine Projected Benefit Obligation as of December 31, 2003 and September 30, 2002

	2003	2002
Discount rate	6.50%	6.75%
Expected return on plan assets	9.00%	9.00%

PENSION BENEFITS	2003	2002	2001
Components of Net Periodic Benefit Cost:			
Service cost	\$ 5,189	\$ 5,539	\$ 5,544
Interest cost	28,089	27,238	25,758
Expected return on plan assets	(35,109)	(34,497)	(29,488)
Amortization of net loss (gain)	3,910	–	(847)
Amortization of transition obligation	–	–	(1,158)
Amortization of prior service cost	317	326	34
Net periodic pension benefit cost/(income)	\$ 2,396	\$ (1,394)	\$ (157)

Weighted - Average Assumptions Used to Determine Net Periodic Benefit Cost as of December 31, 2003 and September 30, 2002 and 2001

	2003	2002	2001
Discount rate	6.75%	7.50%	8.25%
Expected return on plan assets	9.00%	9.00%	7.750%
Rate of compensation increase	N/A	N/A	N/A

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003, 2002, 2001

The following table outlines the asset allocation for the pension plan as of December 31:

	2003	2002
Equity securities	65%	61%
Debt securities	25%	29%
Real estate	8%	10%
Other	2%	–

The pension plan is currently targeting the following asset allocation for 2004:

Domestic Equity	47.5%
Non-US Equity	10.0%
Fixed Income	22.5%
Real Estate	5.0%
Private Equity	5.0%
Absolute Return	10.0%

Other Post-Retirement Benefits

The Company provides medical and dental benefits to eligible retirees. Currently, retirees are offered the same benefits as active employees after taking Medicare into consideration. The following sets forth the other post-retirement benefits’ funded status, components of net periodic benefit cost (in thousands) at the measurement date of December 31, 2003 and September 30, 2002:

	OTHER BENEFITS	
	2003	2002
Change in Benefit Obligation:		
Benefit obligation at beginning of year	\$ 117,796	\$ 109,408
Service cost	3,086	2,694
Interest cost	7,840	8,082
Plan participant’s contributions	1,534	795
Amendments	(18,720)	(31,960)
Unrecognized actuarial loss	10,187	32,623
Expected benefit paid	(6,911)	(3,846)
BENEFIT OBLIGATION AT END OF PERIOD	114,812	117,796
Change in Plan Assets:		
Fair value of plan assets at beginning of year	37,387	40,594
Actual return on plan assets	11,055	(6,478)
Employer contribution	7,892	6,322
Participant contribution	1,534	795
Benefits paid	(6,911)	(3,846)
Fair value of plan assets at end of year	50,957	37,387
Funded Status	(63,855)	(80,409)
Employer contribution after measurement date	–	1,538
Unrecognized net transition obligation	16,354	18,171
Unrecognized net actuarial loss	72,987	74,048
Unrecognized prior service cost	(48,087)	(31,960)
ACCRUED POST-RETIREMENT COSTS	\$ (22,601)	\$ (18,612)

Weighted – Average Assumptions Used to Determine Projected Benefit Obligation as of December 31, 2003 and September 30, 2002

	2003	2002
Discount rate	6.50%	6.75%
Expected return on plan assets	9.00%	9.00%