

**XYZ COMPANY SALARIED PENSION PLAN**
**IMPACT OF MARK-TO-MARKET (MTM) ACCOUNTING OPTIONS  
FASB ASC TOPIC 715**

ACCOUNTING METHOD (GAIN)/LOSS RECOGNITION (GAIN)/LOSS CORRIDOR MARKET RELATED VALUE OF ASSETS	CURRENT DEFERRED YES 5-YR SMOOTHED	PARTIAL MTM IMMEDIATE YES MARKET VALUE	FULL MTM IMMEDIATE NO MARKET VALUE
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**2010 EXPENSE AT 5.85%**
**NET PERIODIC BENEFIT COST**

SERVICE COST	\$4,152,000	\$4,152,000	\$4,152,000
INTEREST COST	17,213,000	17,213,000	17,213,000
EXPECTED RETURN ON ASSETS	(24,413,000)	(21,023,000)	(21,023,000)
AMORTIZATION OF (GAIN)/LOSS	4,268,000	80,798,000	110,385,000
AMORTIZATION OF PRIOR SERVICE COST	121,000	121,000	121,000
AMORTIZATION OF (ASSET)/OBLIGATION	0	0	0
<b>TOTAL</b>	<b>\$1,341,000</b>	<b>\$81,261,000</b>	<b>\$110,848,000</b>

**JANUARY 1, 2011 RECONCILIATION AT 5.75%**
**RECONCILIATION OF FUNDED STATUS**

PROJECTED BENEFIT OBLIGATION	\$(295,867,000)	\$(295,867,000)	\$(295,867,000)
FAIR VALUE OF PLAN ASSETS	275,983,000	275,983,000	275,983,000
<b>FUNDED STATUS</b>	<b>(19,884,000)</b>	<b>(19,884,000)</b>	<b>(19,884,000)</b>
UNRECOGNIZED (GAIN)/LOSS	109,507,000	29,587,000	0
UNRECOGNIZED PRIOR SERVICE COST	627,000	627,000	627,000
UNRECOGNIZED (ASSET)/OBLIGATION	0	0	0
<b>(ACCRUED)/PREPAID BENEFIT COST</b>	<b>\$90,250,000</b>	<b>\$10,330,000</b>	<b>\$ (19,257,000)</b>

**ACCUM. OTHER COMPREHENSIVE INCOME**

NET LOSS / (GAIN)	\$109,507,000	\$29,587,000	\$0
PRIOR SERVICE COST / (CREDIT)	627,000	627,000	627,000
TRANSITION OBLIGATION / (ASSET)	0	0	0
<b>TOTAL</b>	<b>\$110,134,000</b>	<b>\$30,214,000</b>	<b>\$627,000</b>

**2011 EXPENSE AT 5.75%**
**NET PERIODIC BENEFIT COST**

SERVICE COST	\$4,225,000	\$4,225,000	\$4,225,000
INTEREST COST	16,417,000	16,417,000	16,417,000
EXPECTED RETURN ON ASSETS	(24,278,000)	(21,915,000)	(21,915,000)
AMORTIZATION OF (GAIN)/LOSS	4,429,000	TBD [1]	TBD [1]
AMORTIZATION OF PRIOR SERVICE COST	121,000	121,000	121,000
AMORTIZATION OF (ASSET)/OBLIGATION	0	0	0
<b>TOTAL</b>	<b>\$914,000</b>	<b>\$(1,152,000)</b>	<b>\$(1,152,000)</b>

[1] Under MTM, the gain/loss for 2011 will be recognized in the net periodic benefit cost at 12/31/2011.

**CALCULATION DETAILS**

PBO AT 1/1/2010	\$302,051,000	302,051,000	302,051,000	302,051,000
PBO AT 12/31/2010	295,867,000	295,867,000	295,867,000	295,867,000
MVA AT 1/1/2010	272,846,000	272,846,000	272,846,000	272,846,000
MVA AT 12/31/2010	275,983,000	275,983,000	275,983,000	275,983,000
MRVA AT 1/1/2010	315,217,000	315,217,000	272,846,000	272,846,000
MRVA AT 12/31/2010	305,522,000	305,522,000	275,983,000	275,983,000
EXP BENEFIT PAYMENTS FOR 2010	20,113,000	20,113,000	20,113,000	20,113,000
EXP BENEFIT PAYMENTS FOR 2011	20,423,000	20,423,000	20,423,000	20,423,000
CONTRIBUTIONS DURING 2010	0	0	0	0
CONTRIBUTIONS DURING 2011	10,501,000	10,501,000	10,501,000	10,501,000
EXPECTED RETURN ASSUMPTION	8.00%	8.00%	8.00%	8.00%
EXPECTED RETURN ON ASSETS FOR 2010	24,413,000	24,413,000	21,023,000	21,023,000
EXPECTED RETURN ON ASSETS FOR 2011	24,278,000	24,278,000	21,915,000	21,915,000
ACTUAL RETURN ON MVA FOR 2010	28,238,000	28,238,000	28,238,000	28,238,000
UNRECOGNIZED (G)/L AT 12/31/2009	121,864,000	121,864,000	121,864,000	121,864,000
2010 MVA ADJUSTMENT [1]	0	0	0	0
2010 CENSUS (G)/L	(1,021,000)	(1,021,000)	(1,021,000)	(1,021,000)
2010 ASSET (G)/L	(3,825,000)	(3,825,000)	(7,215,000)	(7,215,000)
2010 ASSUMPTION (G)/L	(3,243,000)	(3,243,000)	(3,243,000)	(3,243,000)
UNRECOG (G)/L TO BE AMORTIZED	120,843,000	113,775,000	110,385,000	110,385,000
ASSET (G)/L NOT REFLECTED IN MRVA	42,371,000	29,539,000	0	0
10% CORRIDOR	31,521,700	29,586,700	29,586,700	0
UNRECOG (G)/L IN EXCESS OF CORRIDOR	46,950,300	54,649,300	80,798,300	110,385,000
AVERAGE FUTURE WORKING LIFETIME	11.000	1.000	1.000	1.000
AMORTIZATION OF G/(L) FOR 2010	4,268,000	54,649,000	80,798,000	110,385,000
UNRECOGNIZED (G)/L AT 12/31/2010	109,507,000	59,126,000	29,587,000	0

[1] Asset Transfer Adjustment