

carryforward includes \$1,050 that was recorded in 2002 in connection with the sale of a subsidiary, as the tax basis substantially exceeded the book basis in the subsidiary's stock. A valuation allowance of \$356 was established against the deferred tax asset of \$368 in 2002 because current tax law requires the generation of capital gain to offset capital loss and our manufacturing and leasing operations generally produce income that is characterized as ordinary income. Upon completion of the analysis and finalization of the 2002 U.S. federal income tax return, the tentative capital loss carryforward reported in 2002 increased by \$365. The resulting \$128 adjustment of the deferred tax asset did not affect our determination of the benefit that we are more likely than not to realize during the carryforward period. Accordingly, the