

**EXHIBIT 2**  
Journal Entries: Sale of Inventory for €100,000

<b>Fair Value Hedge</b>			<b>Cash Flow Hedge</b>		
<b>11/02/03</b>			<b>11/02/03</b>		
Accounts receivable – €	115,840		Accounts receivable – €	115,840	
Sales		115,840	Sales		115,840
<i>(1FV) sale of inventory for €100,000</i>			<i>(1CF) sale of inventory for €100,000</i>		
<b>12/31/03</b>			<b>12/31/03</b>		
Accounts receivable – €	10,130		Accounts receivable – €	10,130	
Foreign exchange gain – net income		10,130	Foreign exchange gain – net income		10,130
<i>(2FV) recognize FX gain on receivable</i>			<i>(2CF) recognize FX gain on receivable</i>		
Forward contract loss – net income	10,100		Forward contract loss –		
Forward contract		10,100	other comprehensive income	10,100	
<i>(3FV) recognize loss on forward contract</i>			<i>(3CF) recognize loss on forward contract</i>		
<b>12/31/03</b>			<b>12/31/03</b>		
			Forward contract loss – net income	10,130	
			Forward contract discount loss – net income	54	
			Reclassification adjustment – OCI		10,184
			<i>(4CF) reclass portion of FXFC loss to offset foreign exchange gain on receivable and amortized FXFC discount to net income</i>		
Foreign exchange gain – net income	10,130		Retained earnings	54	
Forward contract loss – net income		10,100	Foreign exchange gain – net income	10,130	
Retained earnings		30	Forward contract loss – net income		10,130
<i>(4FV) closing entries</i>			Forward contract discount loss – net income		54
			Reclassification adjustment – OCI	10,184	
			Forward contract loss – OCI		10,100
			Accumulated other comprehensive income		84
			<i>(5CF) closing entries</i>		
<b>01/30/04</b>			<b>01/30/04</b>		
Foreign exchange loss – net income	1,410		Foreign exchange loss – net income	1,410	
Accounts receivable – €		1,410	Accounts receivable – €		1,410
<i>(5FV) recognize FX loss on receivable</i>			<i>(6CF) recognize FX loss on receivable</i>		
Forward contract	1,300		Forward contract	1,300	
Forward contract gain – net income		1,300	Forward contract gain – other comp. income		1,300
<i>(6FV) recognize gain on forward contract</i>			<i>(7CF) recognize gain on forward contract</i>		
			Reclassification adjustment – OCI	1,384	
			Forward contract discount loss – net income	26	
			Forward contract gain – net income		1,410
			<i>(8CF) reclass portion of FXFC gain to offset foreign exchange gain on receivable and amortized FXFC discount to net income</i>		
Cash	115,760		Cash	115,760	
Forward contract	8,800		Forward contract	8,800	
Accounts receivable – €		124,560	Accounts receivable – €		124,560
<i>(7FV) settle receivable and forward contract net</i>			<i>(9CF) settle receivable and forward contract net</i>		
<b>12/31/04</b>			<b>12/31/04</b>		
Retained earnings	110		Retained earnings	26	
Forward contract gain – net income	1,300		Forward contract gain – net income	1,410	
Foreign exchange loss – net income		1,410	Foreign exchange loss – net income		1,410
<i>(8FV) closing entries</i>			Forward contract discount loss – net income		26
			Forward contract gain – OCI	1,300	
			Accumulated other comprehensive income	84	
			Reclassification adjustment – OCI		1,384
			<i>(10CF) closing entries</i>		