

**EXHIBIT 2**  
Accounting Contrasts:  
Nonbusiness and Business Combinations

<b>Accounting for:</b>	<b>Nonbusiness combination</b>	<b>Business combination</b>
Direct acquisition costs	Direct costs of asset are capitalized (fixed assets, inventory).	Direct costs of business acquisition are expensed.
Research and development costs	SFAS 2: All R&D is expensed as incurred.	In-process research and development (IPRD) of acquiree can be capitalized.
Contingencies	SFAS 5: Liability contingencies are recorded only when probable and estimable.	Asset and liability contingencies are recorded at fair value if the definition of an asset or liability is met.
Recognition of unrealized gains and losses	SFAS 115 and 133: Unrealized gains and losses are recorded in income when the realization is presumed to be imminent (e.g., trading securities and derivatives); otherwise, they are recorded in other comprehensive income (e.g., available-for-sale securities).	Unrealized gains and losses are recorded in income on equity investments that are marked to fair value in step acquisitions.