Orange and Rockland Utilities, Inc.
First Quarter 2005 Financial Statements and Notes

Financial Statements (Unaudited)

Consolidated Balance Sheet

Consolidated Income Statement

Consolidated Statement of Comprehensive Income

Consolidated Statement of Common Shareholder’s Equity

Consolidated Statement of Cash Flows

Notes to Financial Statements (Unaudited)

Orange and Rockland Utilities, Inc.
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31, 2005	December 31, 2004
	(Millions of Dollars)	
ASSETS		
UTILITY PLANT, AT ORIGINAL COST		
Electric	$ 817	$ 812
Gas	340	336
General	120	121
Total	1,277	1,269
Less: Accumulated depreciation	385	382
Net	892	887
Construction work in progress	22	26
NET PLANT	914	913
CURRENT ASSETS		
Cash and temporary cash investments	65	12
Restricted cash	2	2
Accounts receivable - customers, less allowance for uncollectible accounts of $2 in 2005 and 2004	78	50
Accrued unbilled revenue	25	28
Other receivables, less allowance for uncollectible accounts of $2 in 2005 and 2004	5	5
Accounts receivable from affiliated companies	25	25
Gas in storage, at average cost	11	43
Materials and supplies, at average cost	6	5
Prepayments	13	12
Other current assets	32	16
TOTAL CURRENT ASSETS	262	198
DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS		
Regulatory assets	254	253
Other deferred charges and noncurrent assets	32	26
TOTAL DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS	286	279
TOTAL ASSETS	$ 1,462	$ 1,390

The accompanying notes are an integral part of these financial statements.

Orange and Rockland Utilities, Inc.
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31, 2005	December 31, 2004
	(Millions of Dollars)	
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common shareholder's equity (See Statement of Common Shareholder's Equity)	$ 400	$ 388
Long-term debt	385	345
TOTAL CAPITALIZATION	785	733
NONCURRENT LIABILITIES		
Provision for injuries and damages	10	10
Pensions and retiree benefits	109	98
Superfund and other environmental costs	57	57
Hedges on variable rate long-term debt	14	16
TOTAL NONCURRENT LIABILITIES	190	181
CURRENT LIABILITIES		
Long-term debt due within one year	2	2
Accounts payable	59	66
Accounts payable to affiliated companies	35	41
Customer deposits	16	16
Accrued taxes	4	2
Accrued interest	6	6
Other current liabilities	10	10
TOTAL CURRENT LIABILITIES	132	143
DEFERRED CREDITS AND REGULATORY LIABILITIES		
Deferred income taxes and investment tax credits	193	198
Regulatory liabilities	156	127
Other deferred credits	6	8
TOTAL DEFERRED CREDITS AND REGULATORY LIABILITIES	355	333
TOTAL CAPITALIZATION AND LIABILITIES	$ 1,462	$ 1,390

The accompanying notes are an integral part of these financial statements.

Orange and Rockland Utilities, Inc.
CONSOLIDATED INCOME STATEMENT
(Unaudited)

	For the Three Months Ended March 31, 2005	2004
	(Millions of Dollars)	
OPERATING REVENUES		
Electric	$ 121	$ 120
Gas	97	93
TOTAL OPERATING REVENUES	218	213
OPERATING EXPENSES		
Purchased power	59	62
Gas purchased for resale	61	59
Other operations and maintenance	42	41
Depreciation and amortization	9	8
Taxes, other than income taxes	12	13
Income taxes	12	11
TOTAL OPERATING EXPENSES	195	194
OPERATING INCOME	23	19
OTHER INCOME (DEDUCTIONS)		
Investment and other income	-	1
INTEREST EXPENSE		
Interest on long-term debt	5	5
Other interest	1	-
NET INTEREST EXPENSE	6	5
NET INCOME	$ 17	$ 15

The accompanying notes are an integral part of these financial statements.

Orange and Rockland Utilities, Inc.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

	For the Three Months Ended March 31, 2005	2004
	(Millions of Dollars)	
NET INCOME	$ 17	$ 15
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAXES		
Minimum pension liability adjustments, net of $(1) taxes in 2004	-	(1)
Unrealized gains/(losses) on derivatives qualified as cash flow hedges, net of $2 and $0 taxes in 2005 and 2004, respectively	2	(1)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAXES	2	(2)
COMPREHENSIVE INCOME	$ 19	$ 13

The accompanying notes are an integral part of these financial statements.

Orange and Rockland Utilities, Inc.
CONSOLIDATED STATEMENT OF COMMON SHAREHOLDER'S EQUITY
(Unaudited)

(Millions of Dollars/Except Share Data)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total
BALANCE AS OF DECEMBER 31, 2003	1,000	$ -	$ 194	$ 186	$ (10)	$ 370
Net Income				15		15
Common stock dividend to parent				(7)		(7)
Other comprehensive loss					(2)	(2)
BALANCE AS OF MARCH 31, 2004	1,000	$ -	$ 194	$ 194	$ (12)	$ 376
BALANCE AS OF DECEMBER 31, 2004	1,000	$ -	$ 194	$ 204	$ (10)	$ 388
Net Income				17		17
Common stock dividend to parent				(7)		(7)
Other comprehensive income					2	2
BALANCE AS OF MARCH 31, 2005	1,000	$ -	$ 194	$ 214	$ (8)	$ 400

The accompanying notes are an integral part of these financial statements.

Orange and Rockland Utilities, Inc.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	For the Three Months Ended March 31, 2005	2004
	(Millions of Dollars)	
OPERATING ACTIVITIES		
Net income	$ 17	$ 15
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME		
Depreciation and amortization	9	8
Deferred income taxes	(6)	(9)
Other non-cash items (net)	1	(3)
CHANGES IN ASSETS AND LIABILITIES		
Accounts receivable - customers, less allowance for uncollectibles	(28)	(18)
Accounts receivable from affiliated companies	-	(3)
Materials and supplies, including gas in storage	31	15
Prepayments, other receivables and other current assets	(14)	3
Recoverable energy costs	9	15
Accounts payable	(7)	(17)
Accounts payable to affiliated companies	(6)	7
Pensions and retiree benefits	11	9
Accrued taxes	2	1
Accrued interest	-	1
Deferred charges and other regulatory assets	(13)	(11)
Deferred credits and regulatory liabilities	25	4
Other liabilities	(2)	14
NET CASH FLOWS FROM OPERATING ACTIVITIES	29	31
INVESTING ACTIVITIES		
Utility construction expenditures	(9)	(12)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(9)	(12)
FINANCING ACTIVITIES		
Net proceeds from/(retirement of) short-term debt	-	(15)
Issuance of long-term debt	40	-
Dividend to parent	(7)	(7)
NET CASH FLOWS FROM/(USED) IN FINANCING ACTIVITIES	33	(22)
CASH AND TEMPORARY CASH INVESTMENTS:		
NET CHANGE FOR THE PERIOD	53	(3)
BALANCE AT BEGINNING OF PERIOD	12	9
BALANCE AT END OF PERIOD	$ 65	$ 6
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	$ 4	$ 3
Income Taxes (Refund)	(2)	5

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements (Unaudited)

General

These notes accompany and form an integral part of the interim financial statements of Orange and Rockland Utilities, Inc. and its subsidiaries (the Company or O&R), a New York corporation. The Company is a regulated utility, which is a wholly owned subsidiary of Consolidated Edison, Inc. (Con Edison). The Company is subject to regulation by the Federal Energy Regulatory Commission (FERC), the New York Public Service Commission (PSC), the New Jersey Board of Public Utilities and the Pennsylvania Public Utility Commission with respect to rates and accounting.

The interim consolidated financial statements of O&R are unaudited but, in the opinion of their management, reflect all adjustments (which include only normally recurring adjustments) necessary for a fair presentation of the results for the interim periods presented. O&R's interim consolidated financial statements should be read together with its separate audited financial statements (including the combined notes thereto) included in Item 8 of the combined Annual Report of Con Edison, Consolidated Edison Company of New York, Inc. (Con Edison of New York) and O&R on Form 10-K for the year ended December 31, 2004 (the Form 10-K). Certain prior period amounts have been reclassified to conform to the current period presentation. Results for interim periods are not necessarily indicative of results for the entire fiscal year.

Note A – Regulatory Matters

Reference is made to "Rate and Restructuring Agreements" in Note B to the financial statements in Item 8 of the Form 10-K for information pertaining to the Company's current rate agreements.

Regulatory Assets and Liabilities

Regulatory assets and liabilities at March 31, 2005 and December 31, 2004 were comprised of the following items:

(Millions of Dollars)	2005	2004
Regulatory Assets		
Transition bond charges	$73	$74
Environmental remediation costs	60	59
Future federal income tax	48	47
Retirement program costs	45	42
Recoverable energy costs	12	18
Other	16	13
Total Regulatory Assets	$254	$253
Regulatory Liabilities		
Allowance for cost of removal less salvage	$57	$57
Unrealized gains on hedging	38	16
Refundable energy costs	31	29
NYS tax law changes	12	12
Other	18	13
Total Regulatory Liabilities	$156	$127

Note B – Stock-Based Compensation

Reference is made to "Stock-Based Compensation" in Note A to the financial statements in Item 8 of the Form 10-K. There would be no material effect on net income for the three months ended March 31, 2005 and 2004 if O&R had applied the fair value recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," for the purposes of recognizing compensation expense for employee stock-based arrangements.

Note C – Long-Term Debt

On March 31, 2005 O&R issued (in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended) $40 million of 10-year debentures with a coupon rate of 5.3 percent and a maturity date of April 1, 2015.

Note D – Short-Term Borrowing and Credit Agreements

At March 31, 2005 and December 31, 2004, O&R had commercial paper programs totaling $100 million under which short-term borrowings are made at prevailing market rates. These programs are supported by revolving credit agreements with banks. At March 31, 2005 and December 31, 2004, there was no balance outstanding under O&R's $100 million program. The Company changes the amount of its program from time to time, subject to a FERC-authorized limit of $150 million.

In April 2005, O&R, along with Con Edison and Con Edison's other utility subsidiary, Con Edison of New York, entered into a five-year revolving credit agreement, under which banks committed to provide loans and letters of credit to O&R in an aggregate amount of up to $100 million, and terminated a three-year credit agreement that was to expire in November 2005. Bank commitments to O&R under the new revolving credit agreement and a three-year credit agreement that expires in November 2006 total $150 million. O&R is not responsible for the obligations under the credit agreements of any company other than itself.

The banks' commitments to O&R under the credit agreements are subject to certain conditions, including that there be no event of default and that O&R has received required regulatory approvals. The commitments are not subject to maintenance of credit rating levels or the absence of a material adverse change. Upon a change of control of, or upon an event of default by O&R, the banks may terminate their commitments to O&R and declare any amounts owed by O&R under the credit agreements immediately due and payable. Events of default include: O&R at any time exceeding a ratio of consolidated debt to consolidated total capital of 0.65 to 1 (at March 31, 2005, this ratio was 0.49 to 1); having liens on its assets in an aggregate amount exceeding 5 percent of its consolidated total capital, subject to certain exceptions; and the failure by O&R, following any applicable notice period, to meet certain other customary covenants. The fees charged to O&R for the revolving credit facilities and any loans made or letters of credit issued to O&R under the credit agreements reflect O&R's credit ratings. At March 31, 2005, no loans to O&R were outstanding under any of the credit agreements and $8 million of letters of credit had been issued.

See Note H for information about short-term borrowing between related parties, which the FERC has authorized.

Note E – Pension Benefits

Reference is made to Note E to the financials statements in Item 8 of the Form 10-K.

Net Periodic Benefit Cost

The components of the Company's net periodic benefit costs for the three months ended March 31, 2005 and 2004 were as follows:

(Millions of Dollars)	2005	2004
Service cost – including administrative expenses	$3	$2
Interest cost on projected benefit obligation	7	7
Expected return on plan assets	(6)	(6)
Amortization of net actuarial (gain)/loss	4	3
Amortization of prior service costs	-	-
TOTAL PERIODIC BENEFIT COST	$8	$6
Cost capitalized	(2)	(1)
Cost deferred	(3)	-
Cost charged to operating expenses	$3	$5

Expected Contributions

Based on current estimates, O&R is not required under funding regulations and laws to make any contributions to the pension plan during 2005. O&R expects to make discretionary contributions of $28 million in 2005.

Note F – Other Postretirement Benefits

Reference is made to Note F to the financials statements in Item 8 of the Form 10-K.

Net Periodic Benefit Cost

The components of the Company's net periodic postretirement benefit costs for the three months ended March 31, 2005 and 2004 were as follows:

(Millions of Dollars)	2005	2004
Service cost	$1	$1
Interest cost on accumulated other postretirement benefit obligation	2	2
Expected return on plan assets	(1)	(1)
Amortization of net actuarial loss	2	1
Amortization of prior service cost	-	-
NET PERIODIC POSTRETIREMENT BENEFIT COST	$4	$3
Cost capitalized	(1)	(1)
Cost deferred	(1)	-
Cost charged to operating expenses	$2	$2

Expected Contributions

Based on current estimates, O&R expects to make contributions of $10 million to the other postretirement benefit plans in 2005.

Note G – Environmental Matters

Hazardous substances, such as coal tar and asbestos, have been used or generated in the course of operations of O&R and its predecessors and are present at sites and in facilities and equipment they currently or previously owned, including seven sites at which gas was manufactured (the MGP Sites).

MGP Sites

The New York State Department of Environmental Conservation (DEC) is requiring O&R to develop and implement remediation programs for the MGP Sites. O&R has investigated and detected soil and/or groundwater contamination to varying degrees at all of the MGP Sites and has completed an Interim Remedial Measure at one MGP Site. In addition, in 2004 the DEC approved a remedial action plan for another of the MGP Sites. Additional investigation and determination of the remediation and monitoring methods will be required at the other MGP Sites. At March 31, 2005 and December 31, 2004, O&R had an accrued liability of $56 million for the MGP Sites. In 2004, O&R estimated that the aggregate undiscounted potential liability for the remediation of the MGP Sites could range from approximately $31 million to $87 million. These estimates were based on the assumptions regarding the extent of contamination and the type and extent of remediation that may be required in light of the information available, applicable remediation standards and experience with similar sites. Actual experience may be materially different. O&R is permitted under its current rate agreements to recover or defer as regulatory assets (for subsequent recovery through rates) certain site investigation and remediation costs. At March 31, 2005 and December 31, 2004, O&R's regulatory asset for recovery of such costs amounted to $60 million.

Asbestos Proceedings

Suits have been brought against O&R and many other defendants, wherein a large number of plaintiffs sought large amounts of damages for deaths and injuries allegedly caused by exposure to asbestos at various O&R premises. The suits that have been resolved, which are many, have been resolved without any payment by O&R, or for amounts that were not, in the aggregate, material to O&R. The amounts specified in all the remaining suits total millions of dollars but O&R believes that these amounts are greatly exaggerated, as experienced through the disposition of previous claims. In addition, certain current and former employees have claimed or are claiming workers' compensation benefits based on alleged disability from exposure to asbestos. O&R defers as regulatory assets (for subsequent recovery through rates) liabilities incurred for asbestos claims by employees and third-party contractors relating to its divested generating plants.

O&R's accrued liability for asbestos suits and workers' compensation proceedings (including those related to asbestos exposure) and related regulatory assets at March 31, 2005 and December 31, 2004 were as follows:

(Millions of Dollars)	2005	2004
Accrued liability – asbestos suits	$1	$1
Regulatory assets – asbestos suits	$1	$1
Accrued liability – workers' compensation	$3	$3

Note H – Financial Information By Business Segment

Reference is made to Note O to the financial statements in Item 8 of the Form 10-K.

The financial data for the business segments are as follows:

For the Three Months Ended March 31,	Operating Revenues		Intersegment Revenues		Depreciation and Amortization		Operating Income	
(Millions of Dollars)	2005	2004	2005	2004	2005	2004	2005	2004
O&R								
Electric*	$121	$ 120	$ -	$ -	$ 7	$ 6	$ 10	$ 9
Gas	97	93	-	-	2	2	13	10
Total O&R	$218	$ 213	$ -	$ -	$ 9	$ 8	$ 23	$ 19

* Operating revenues and operating income in 2005 include amounts related to RECO securitization.

Note I – Derivative Instruments and Hedging Activities

Reference is made to Note P to the financial statements in Item 8 of the Form 10-K.

Energy Price Hedging

O&R hedges market price fluctuations associated with physical purchases and sales of electricity and natural gas by using derivative instruments including futures, forwards, basis swaps, transmission congestion contracts and financial transmission rights contracts. The fair values of these hedges at March 31, 2005 and December 31, 2004 were as follows:

(Millions of Dollars)	2005	2004
Fair value of net assets	$37	$14

Pursuant to SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation," the Company defers recognition in income of gains and losses on a hedge until the underlying transaction is completed. In accordance with rate provisions that permit the recovery of the cost of purchased power, O&R credits or charges to its customers gains and losses on hedges and related transaction costs. See "Recoverable Energy Costs" in Note A to the financial statements in Item 8 of the Form 10-K.

Cash Flow Hedges

O&R designates a portion of its derivative instruments as cash flow hedges under SFAS No. 133. Under cash flow hedge accounting, to the extent a hedge is determined to be "effective," the unrealized gain or loss on the hedge is recorded in other comprehensive income (OCI) and reclassified to earnings at the time the underlying transaction is completed. A gain or loss relating to any portion of the hedge determined to be "ineffective" is recognized in earnings in the period in which such determination is made. The unrealized net gains and losses relating to the hedge ineffectiveness of these cash flow hedges that were recognized in net earnings for the three months ended March 31, 2005 and 2004 were immaterial to the results of operations of O&R for those periods. The following table presents selected information related to these cash flow hedges included in the accumulated OCI at March 31, 2005:

(Millions of Dollars)	Accumulated Other Comprehensive Income/(Loss) Net of Tax	Portion Expected to be Reclassified to Earnings during the Next 12 Months
Energy Price Hedges	$1	$1

The actual amounts that will be reclassified to earnings may vary from the expected amounts presented above as a result of changes in market prices. The effect of reclassification from accumulated OCI to earnings will generally be offset by the recognition of the hedged transaction in earnings. The maximum term for O&R's cash flow hedges is nine months.

Interest Rate Hedging

O&R uses interest rate swaps to manage interest rate exposure associated with debt. The fair value of these interest rate swaps at March 31, 2005 and December 31, 2004 were as follows:

(Millions of Dollars)	2005	2004
Fair value of interest rate swaps	$(14)	$(16)

Cash Flow Hedges

O&R's interest rate swaps are designated as cash flow hedges under SFAS No. 133. Unrealized gains or losses on the hedges are recorded in OCI and reclassified to interest expense and included in earnings during the periods in which the hedged interest payments occur. The following table presents selected information related to these cash flow hedges included in the accumulated OCI at March 31, 2005:

(Millions of Dollars)	Accumulated Other Comprehensive Income/(Loss) Net of Tax	Portion Expected to be Reclassified to Earnings during the Next 12 Months
Interest Rate Swaps	$(8)	$(1)

The actual amounts that will be reclassified to earnings may vary from the expected amounts presented above as a result of changes in interest rates. For the Company, these costs are recovered in rates and the reclassification will have no impact on results of operations.

Note J – Related Party Transactions

Reference is made to Note U to the financial statements in Item 8 of the Form 10-K.

O&R provides and receives administrative and other services to and from Con Edison and its subsidiaries pursuant to cost allocation procedures approved by the PSC. The services received include substantial administrative support operations, such as corporate secretarial and associated ministerial duties, accounting, treasury, investor relations, information resources, legal, human resources, fuel supply and energy management services. The costs of administrative and other services provided by O&R, and received from Con Edison and its subsidiaries for the three months ended March 31, 2005 and 2004 were as follows:

(Millions of Dollars)	2005	2004
Cost of services provided	$3	$3
Cost of services received	$6	$5

In addition, O&R purchased from Con Edison of New York $35 million and $29 million of natural gas for the three months ended March 31, 2005 and 2004, respectively. These amounts are net of the effect of related hedging transactions.

O&R also purchased from Consolidated Edison Energy, Inc., a wholly owned subsidiary of Con Edison, $1 million and $4 million of electricity for its New Jersey regulated subsidiary for the three months ended March 31, 2005 and 2004, respectively, pursuant to a statewide energy auction.

In December 2003, the FERC authorized Con Edison of New York to lend funds to O&R, for periods of not more than 12 months, in amounts not to exceed $150 million outstanding at any time, at prevailing market rates. O&R has not borrowed any funds from Con Edison of New York.

Note K – New Financial Accounting Standards

In March 2005, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations – An Interpretation of FASB Statement No. 143," which is effective for the fiscal year ending December 31, 2005. The Interpretation clarifies that a legal obligation to perform an asset retirement activity that is conditional on a future event is within the scope of SFAS No. 143. Accordingly, an entity would be required to recognize a liability for the fair value of an asset retirement obligation that is conditional on a future event if the liability's fair value can be reasonably estimated. The Interpretation provides additional guidance for evaluating whether sufficient information is available to make a reasonable estimate of the fair value. The Company has not yet determined the impact on its financial position, results of operations or liquidity, but it could be material.

In December 2004, the FASB issued SFAS No. 123(R), "Share-Based Payment." This Statement requires that companies recognize an expense in their financial statements for transactions where a company exchanges its equity instruments for goods or services. SFAS No. 123(R) provides for two alternative methods of adoption, the modified prospective application and the modified retrospective application. The modified prospective application applies to new awards and to awards modified, repurchased or cancelled after the required effective date. Additionally, compensation cost for the portion of awards for which the requisite service has not been rendered that are outstanding as of the required effective date will be recognized as the requisite service is rendered on or after the required effective date. Alternatively, the modified retrospective application may be applied either to all prior years for which SFAS No. 123 was effective or only to prior interim periods in the year of initial adoption. In March 2005, the SEC issued Staff Accounting Bulletin No. 107 which provides guidance regarding the application of SFAS No. 123(R). In addition, in April 2005, the SEC announced the adoption of a new rule that amends the compliance dates of SFAS No. 123(R), allowing companies to implement the guidance at the beginning of their next fiscal year, instead of periods beginning after June 15, 2005. The adoption of SFAS No. 123(R) is not expected to have a material impact on the Company's financial position, results of operations or liquidity.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets – an amendment of APB Opinion No. 29." APB No. 29 requires exchanges of nonmonetary assets to be measured on the basis of the fair value of the assets exchanged, with certain exceptions. SFAS No. 153 eliminates the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance, that is, transactions that are not expected to result in significant changes in the future cash flows of the reporting entity. This Statement is effective for nonmonetary exchanges occurring in fiscal periods beginning after June 15, 2005. The adoption of SFAS No. 153 is not expected to have a material impact on the Company's financial position, results of operations or liquidity.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs – an amendment of ARB No. 43, Chapter 4." This Statement clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material. The Statement is effective for inventory costs incurred during fiscal periods beginning after June 15, 2005. The adoption of SFAS No. 151 is not expected to have a material impact on the Company's financial position, results of operations or liquidity.

In September 2004, the Emerging Issues Task Force (EITF) reached a consensus on Issue No. 04-10, "Determining Whether to Aggregate Operating Segments That Do Not Meet the Quantitative Thresholds," which is anticipated to be effective this year. The consensus indicated that operating segments that do not meet the quantitative thresholds specified in SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information," may be aggregated under certain circumstances. The adoption of this EITF consensus is not expected to have a material impact on the Company's financial position, results of operations or liquidity.