RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

See Note 2 in the Notes to Consolidated Financial Statements for a discussion of the impact of recently issued accounting pronouncements on our financial condition and results of operations.

DISCLOSURES ABOUT CONTRACTUAL OBLIGATIONS AND COMMERCIAL CONTINGENCIES

The following table aggregates all contractual commitments and commercial obligations that affect our financial condition and liquidity position as of December 31, 2008:

Payments Due by Period (dollars in thousands)

	2009	2010	2011	2012	2013	Thereafter	Total
Contractual Obligations							
Operating Leases[(a)]	$ 23,569	$ 20,293	$ 16,195	$ 11,110	$ 7,101	$ 19,908	$ 98,176
Purchase Obligations[(b)]	16,854	2,228	403	—	—	—	19,485
Total	$ 40,423	$ 22,521	$ 16,598	$ 11,110	$ 7,101	$ 19,908	$ 117,661

(a) We have certain facilities and equipment under operating leases.

(b) Purchase obligations include agreements for services that are enforceable and legally binding and that specify all significant terms. As of December 31, 2008, such obligations include telecommunications services, maintenance contracts, and an obligation to complete construction on our data center facility.

We have no long-term debt or capital lease obligations. Long-term liabilities consist of noncurrent income taxes payable and the obligation under our non-qualified deferred compensation plan. Due to the uncertainty with respect to the timing of future cash flows associated with our unrecognized tax benefits at December 31, 2008, we are unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authority. Therefore, $9.9 million of unrecognized tax benefits have been excluded from the contractual obligations table above. See Note 7 to the Consolidated Financial Statements for a discussion on income taxes. The obligation under our non-qualified deferred compensation plan has also been excluded from the above table as the timing of cash payment is uncertain. We also enter into air and ocean freight and produce purchase contracts which are all short-term in nature. These liabilities have been excluded from the table as the amount of any cash payment is uncertain. As of December 31, 2008, we did not have any off-balance sheet arrangements as defined in Item 303 (a)(4)(ii) of SEC Regulation S-K.

Item 7A. MARKET RISK

We had $497.3 million of cash and investments on December 31, 2008, consisting of $494.7 million of cash and cash equivalents and $2.6 million of available-for-sale securities. Although these investments are subject to the credit risk of the issuer, we manage our investment portfolio to limit our exposure to any one issuer. Substantially all of the cash equivalents are money market securities from treasury and tax exempt money issuers. All of our available-for-sale securities are high-quality bonds that are exempt from U.S. federal income taxes. Because of the credit risk criteria of our investment policies and practices, the primary market risks associated with these investments are interest rate and liquidity risks. We do not use derivative financial instruments to manage interest rate risk or to speculate on future changes in interest rates. A rise in interest rates could negatively affect the fair value of our investments.