In December 2007, the FASB issued SFAS No. 141R, *Business Combinations*. SFAS No. 141R establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. The statement also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statement to evaluate the nature and financial effects of the business combination. We adopted SFAS No. 141R as of January 1, 2009. We expect SFAS No. 141R may have an impact on our consolidated financial statements, but the nature and magnitude of the specific effects will depend upon the nature, terms, and size of the acquisitions we consummate after the effective date.

NOTE 3: AVAILABLE-FOR-SALE SECURITIES

Our investments consist of investment-grade marketable debt securities. These investments are classified as short-term based on their highly liquid nature and because these securities represent the investment of cash that is available for current operations. All are classified as available-for-sale and recorded at fair value. The carrying value of available-for-sale securities approximates fair market value. As of December 31, 2008 and 2007, we had $2.6 million and $115.8 million in available-for-sale securities. Unrealized holding gains and losses are recorded, net of any tax effect, as a separate component of accumulated other comprehensive income. Unrealized gains and losses on available-for-sale securities were not material as of December 31, 2008 and 2007. The gross realized gains and losses on sales of available-for-sale securities were not material for the years ended December 31, 2008, 2007, and 2006.

The fair value of available-for-sale debt securities at December 31, 2008, by contractual maturity, is shown below (in thousands):

	Cost basis	**Estimated fair value**
Due in one year or less	$ 2,610	$ 2,644
Total	**$ 2,610**	**$ 2,644**

NOTE 4: GOODWILL AND OTHER INTANGIBLE ASSETS

The change in the carrying amount of goodwill for the year ended December 31, 2008, is as follows (in thousands):

Balance December 31, 2007	$ 278,739
Goodwill associated with acquisitions	47,038
Foreign currency impact	(1,073)
Balance December 31, 2008	**$ 324,704**

During 2008, we added $37.5 million of goodwill through our acquisition of Transera and $9.9 million in the form of an earn-out payment related to a previous acquisition. Additions to goodwill were partially offset by a $0.4 million purchase accounting adjustment to reflect the fair value of intangible assets acquired in 2007.

In accordance with SFAS No. 142, we annually complete an impairment test on goodwill. This impairment test did not result in any impairment losses.

A summary of our other intangible assets, which include primarily non-competition agreements and customer relationships, as of December 31 is as follows (in thousands):

	2008	2007
Gross	**$ 35,869**	$ 29,211
Accumulated amortization	**(20,969)**	(14,741)
Net	**$ 14,900**	$ 14,470

Amortization expense for other intangible assets was $6.2 million in 2008, $5.7 million in 2007, and $4.8 million in 2006. Estimated amortization expense for each of the five succeeding fiscal years based on the intangible assets at December 31, 2008, is as follows (in thousands):

2009	$ 6,710
2010	3,057
2011	2,035
2012	1,283
2013	1,110
Thereafter	705
Total	**$ 14,900**

NOTE 5: FAIR VALUE MEASUREMENT

We adopted SFAS 157 as discussed in Note 2, as of January 1, 2008. This standard defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based upon our own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

The following table presents information as of December 31, 2008, about our financial assets that are measured at fair value on a recurring basis, according to the valuation techniques we used to determine their fair values.

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Total Fair Value
Cash and cash equivalents	$ 494,743	$ —	$ 494,743
Debt securities- Available-for-sale:			
State and municipal obligations	—	2,644	2,644
Total assets at fair value	**$ 494,743**	**$ 2,644**	**$ 497,387**

The carrying value of cash and cash equivalents approximates fair value as maturities are three months or less. The estimated fair values of debt securities held as available-for-sale are based on quoted market prices and/or other market data for the same or comparable instruments and the transactions in establishing the prices.

NOTE 6: LINES OF CREDIT

We have 3.5 million Euros available under a line of credit at an interest rate of 6.65 percent (Euribor plus 45 basis points) at December 31, 2008. This discretionary line of credit has no expiration date. Our credit agreement contains certain financial covenants, but does not restrict the payment of dividends. We were in compliance with all covenants of this agreement as of December 31, 2008.

NOTE 7: INCOME TAXES

C.H. Robinson Worldwide, Inc. and its 80 percent (or more) owned U.S. subsidiaries file a consolidated federal income tax return. We file unitary or separate state returns based on state filing requirements. With few exceptions, we are no longer subject to audits of U.S. federal, state and local, or non-U.S. income tax returns before 2005.