



**2008 ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD  
MANDATORY — CONFIDENTIAL**

**BE-11B(LF) (LONG FORM)  
(Report for Majority-Owned Nonbank Foreign Affiliate of Nonbank U.S. Reporter)**

**DUE DATE** — A complete BE-11 report is due May 29, 2009

<b>MAIL REPORTS TO:</b> U.S. Department of Commerce Bureau of Economic Analysis BE-69(A) Washington, DC 20230  <b>OR</b> <b>DELIVER REPORTS TO:</b> U.S. Department of Commerce Bureau of Economic Analysis BE-69(A) Shipping and Receiving, Section M-100 1441 L Street, NW Washington, DC 20005	<b>BEA USE ONLY</b>	<b>Affiliate ID Number</b>	<b>B</b>
	1. Name of U.S. Reporter of foreign affiliate — <i>Same as item 1, Form BE-11A</i>		
2. Name of foreign affiliate being reported — <i>Use the same name on all reports filed subsequently for this affiliate with the Bureau of Economic Analysis, e.g., BE-577.</i>			

**IMPORTANT**

Please read the **Instruction Booklet**, which contains definitions and reporting requirements, before completing this form. "**Additional Instructions**" specific to line items and "**Special Instructions**" for dealers in financial instruments and finance, insurance, and real estate companies are provided at the back of this form.

- **Who must report** — The nonbank U.S. Reporter must file Form BE-11B(LF) for each majority-owned nonbank foreign affiliate for which total assets; sales or gross operating revenues, excluding sales taxes; **or** net income after provision for foreign income taxes was greater than \$225 million (positive or negative) at the end of, or for, the affiliate's 2008 fiscal year. See **Instruction Booklet**, Part I, for detailed reporting requirements.
- **Foreign affiliate's 2008 fiscal year** — The foreign affiliate's financial reporting year that has an ending date in calendar year 2008. See **Instruction Booklet**, Part II.A.
- **Translation of foreign currency financial and operating data into U.S. dollars** — Use U.S. Generally Accepted Accounting Principles (FAS 52). See **Instruction Booklet**, Part IV.B.

Bil.	Mil.	Thous.	Dols.
	1	335	

- **Currency amounts** — Report in U.S. dollars rounded to thousands (omitting 000). Do not enter amounts in the shaded portions of each line. **EXAMPLE** — If amount is \$1,334,891.00, report as  
 If an item is between + or - \$500.00, enter "0." Use parenthesis ( ) to indicate negative numbers.
- **Contact us for help** — Telephone: 202-606-5566; FAX: 202-606-5312; E-mail: be10/11@bea.gov.

**Part I — IDENTIFICATION OF MAJORITY-OWNED FOREIGN AFFILIATE**  
*See Additional Instructions for Part I on page 10 at the back of this form.*

**3. Country of location** — Country in which this foreign affiliate's physical assets are located or where its primary activity is carried out — Mark (X) one.

<input type="checkbox"/> 1007	<input type="checkbox"/> <sup>1</sup> 601	<input type="checkbox"/> Australia	<input type="checkbox"/> <sup>1</sup> 307	<input type="checkbox"/> France	<input type="checkbox"/> <sup>1</sup> 614	<input type="checkbox"/> Japan	<input type="checkbox"/> <sup>1</sup> 327	<input type="checkbox"/> United Kingdom	<input type="text"/>
	<input type="checkbox"/> <sup>1</sup> 202	<input type="checkbox"/> Brazil	<input type="checkbox"/> <sup>1</sup> 308	<input type="checkbox"/> Germany	<input type="checkbox"/> <sup>1</sup> 213	<input type="checkbox"/> Mexico	<input type="checkbox"/> <sup>1</sup>	<input type="checkbox"/> Other — <i>Specify</i>	
	<input type="checkbox"/> <sup>1</sup> 100	<input type="checkbox"/> Canada	<input type="checkbox"/> <sup>1</sup> 611	<input type="checkbox"/> Hong Kong	<input type="checkbox"/> <sup>1</sup> 319	<input type="checkbox"/> Netherlands			
	<input type="checkbox"/> <sup>1</sup> 650	<input type="checkbox"/> China	<input type="checkbox"/> <sup>1</sup> 314	<input type="checkbox"/> Italy	<input type="checkbox"/> <sup>1</sup> 325	<input type="checkbox"/> Switzerland			

**4. The ending date of this foreign affiliate's 2008 fiscal year.**

1009	1			2008

**5. Did the foreign business enterprise become a foreign affiliate of the U.S. Reporter during the fiscal year?**

<sup>1</sup>1010  <sup>1</sup>1  **Yes, and this is its initial report** — Affiliate was not previously owned by the U.S. Reporter  
 If "Yes," did the U.S. Reporter — Mark (X) one

<input type="checkbox"/> <sup>2</sup> 1	<input type="checkbox"/> Establish the foreign affiliate?	} Enter date	<table border="1"> <tr> <td>Month</td> <td>Year</td> </tr> <tr> <td><sup>3</sup>  </td> <td>       </td> </tr> </table>	Month	Year	<sup>3</sup>	
Month	Year						
<sup>3</sup>							
<input type="checkbox"/> <sup>2</sup> 2	<input type="checkbox"/> Acquire a voting interest of 10 percent or more in an existing foreign company?						

<sup>1</sup>2  **No**

Remarks

**Part I — IDENTIFICATION OF MAJORITY-OWNED FOREIGN AFFILIATE — Continued**

<b>DIRECT OWNERSHIP IN THIS FOREIGN AFFILIATE</b> — Enter percent of ownership, to a tenth of one percent, based on total voting stock, as applicable, if an incorporated affiliate, or an equivalent interest if an unincorporated affiliate, held <b>directly</b> by	Percent of ownership at close of fiscal year	
	Equity interest	Voting interest
	2008 (1)	2008 (2)
6. U.S. Reporter named in item 1 — Report equity interest <b>and</b> voting interest. <span style="float:right">1012</span>	1 . %	2 . %
7. Other foreign affiliate(s) of U.S. Reporter named in Item 1 — If entry is made here, complete items 14 and 15. <span style="float:right">1013</span>		2 . %
8. Other U.S. Reporter(s) of this foreign affiliate — If entry is made here, item 16 must be "Yes." <span style="float:right">1014</span>		2 . %
9. Foreign affiliate(s) of other U.S. Reporter(s) — If entry is made here, item 16 must be "Yes." <span style="float:right">1015</span>		2 . %
10. Other U.S. persons <span style="float:right">1016</span>		2 . %
11. Foreign persons in this affiliate's country of location (not reported above) <span style="float:right">1017</span>		2 . %
12. All other foreign persons (not reported above) <span style="float:right">1018</span>		2 . %
13. TOTAL OF DIRECTLY HELD VOTING OWNERSHIP INTERESTS — Sum of items 6 through 12 <span style="float:right">1019</span>		2 <b>100.0</b> %
14. INDIRECT OWNERSHIP IN THIS FOREIGN AFFILIATE — If there is an entry in item 7, enter U.S. Reporter's percent of indirect ownership in this affiliate. See <b>Instruction Booklet</b> , Part I.B.1.c, for instructions on how to calculate indirect ownership percentage. <span style="float:right">1020</span>		2 . %

15. Identification of foreign affiliate parent(s) — If there is an entry in item 7 — Enter below, the name(s) and percent(s) of ownership of each foreign affiliate of the U.S. Reporter named in item 1 holding a direct ownership interest in this foreign affiliate. Also, for each foreign affiliate in column (a) that is below the first tier in its ownership chain, enter in column (c) the name of the foreign affiliate that holds a direct ownership interest in it.

Foreign affiliate(s) holding direct ownership interest in this foreign affiliate			Name of foreign affiliate, if any, in ownership chain that holds direct interest in foreign affiliate named in column (a)
Name and ID Number Enter name and BEA ID Number of foreign affiliate(s) holding a direct ownership interest in this foreign affiliate. (a)	BEA USE ONLY	Percent of direct ownership in this foreign affiliate Close FY 2008 (b)	
a. 1191	1	2 . %	(c)
b. 1192	1	2 . %	
c. 1193	1	2 . %	
<b>TOTAL — Must equal percentage entered in Item 7</b> <span style="float:right">1021</span>		2 . %	

16. Do two or more U.S. persons each directly or indirectly own or control at least 10 percent of this foreign affiliate's voting rights? Mark (X) one.

1022  1 Yes — Item 8 or 9 must have an entry, and item 17 must be completed. See **Instruction Booklet**, Part I.B.2.e.(2).

2 No — Skip to item 22

17. If the answer to item 16 is "Yes," give name(s) and mailing address(es) of the other U.S. Reporter(s).

Name	Mailing address

18. BEA USE ONLY <span style="float:right">1024</span>	1	2	3	4	5
19. BEA USE ONLY <span style="float:right">1025</span>	1	2	3	4	5
20. BEA USE ONLY <span style="float:right">1026</span>	1	2	3	4	5
21. BEA USE ONLY <span style="float:right">1027</span>	1	2	3	4	5

Remarks

**Part I — IDENTIFICATION OF MAJORITY-OWNED FOREIGN AFFILIATE — Continued**

**22. Major activity of foreign affiliate — Mark (X) one**

Select the one activity below that best describes the major activity of the foreign affiliate. For an inactive affiliate, select the activity based on its last active period; for "start-ups," select the intended activity.

- |  |  |
|--|--|
| <p>1028 <input type="checkbox"/> <b>1</b> <input type="checkbox"/> Producer of goods</p> <p><input type="checkbox"/> <b>2</b> <input type="checkbox"/> Seller of goods the foreign affiliate does not produce</p> <p><input type="checkbox"/> <b>3</b> <input type="checkbox"/> Producer or distributor of information</p> | <p><input type="checkbox"/> <b>4</b> <input type="checkbox"/> Provider of services</p> <p><input type="checkbox"/> <b>5</b> <input type="checkbox"/> Other – Specify</p> |
|--|--|

**23. What is the MAJOR product or service involved in this activity? If a product, briefly state what is done to it, i.e., whether it is mined, manufactured, sold at wholesale, packaged, transported, etc. (For example, "Manufacture widgets.")**

1029

**Industry classification of foreign affiliate (based on sales or gross operating revenues)** — Enter the 4-digit International Surveys Industry (ISI) code(s) and the sales or gross operating revenues associated with each code. For a full explanation of each code, see the **Guide to Industry Classifications for International Surveys, 2002**. For an inactive affiliate, enter an ISI code based on its last active period. Holding companies (ISI code 5512) must show total income as reported in item 39. Holding companies see **Additional Instructions** on page 10 for Part I, items 24-32.

ISI code (1)	Sales or gross operating revenues (2)			
	Bil.	Mil.	Thous.	Dols.
1	2			
1030	\$			
1	2			
1031				
1	2			
1032				
1	2			
1033				
1	2			
1034				
1	2			
1035				
1	2			
1036				
1037	2			
1038	2			

- 24.** Largest sales or gross operating revenues 1030
- 25.** 2nd largest sales or gross operating revenues 1031
- 26.** 3rd largest sales or gross operating revenues 1032
- 27.** 4th largest sales or gross operating revenues 1033
- 28.** 5th largest sales or gross operating revenues 1034
- 29.** 6th largest sales or gross operating revenues 1035
- 30.** 7th largest sales or gross operating revenues 1036
- 31.** Sales or gross operating revenues not accounted for above 1037
- 32. TOTAL SALES OR GROSS OPERATING REVENUES — Sum of items 24 through 31** 1038

<b>33. BEA USE ONLY</b>	1039	1	2	3	4	5
	1040	1	2	3	4	5

Remarks

**Part II — FINANCIAL AND OPERATING DATA OF MAJORITY-OWNED FOREIGN AFFILIATE**

Section A — Income Statement — See <i>Additional Instructions</i> for Part II, Section A, on page 10 at the back of this form.	Amount			
	Bil.	Mil.	Thous.	Dols.
<b>• INCOME</b>				
<b>34. Sales or gross operating revenues, excluding sales taxes</b> — Must equal item 47, column (1). (Dealers in financial instruments see <b>Special Instructions</b> , A.1., page 12; insurance companies see <b>Special Instructions</b> , B.3.a., page 12.)	2041	\$		
<b>35. Income from equity investments in foreign affiliates</b> — For foreign affiliates owned 20 percent or more (including those that are majority-owned), report equity in earnings during the reporting period; for those owned less than 20 percent, report dividends or distributed earnings for unincorporated affiliates. Do not include interest income.	2042			
<b>36. Income from other equity investments</b>	2043			
<b>37. Certain gains (losses)</b> — Read the following instructions carefully as they are based on economic accounting concepts and in some cases may deviate from what is normally required by U.S. Generally Accepted Accounting Principles. Report <b>gross</b> amount <b>before</b> income tax effect. Include income tax effect in item 41. Report gains (losses) resulting from:  <ul style="list-style-type: none"> <li>a. Sales or other dispositions of financial assets, including investment securities; FAS 115 holding gains (losses) on securities classified as trading securities; and FAS 115 impairment losses. Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies, see <b>Special Instructions</b>, A.1., page 12.</li> <li>b. Sales or other dispositions of land, other property, plant and equipment, or other assets, (other than from the sale of inventory assets in the ordinary course of business), and FAS 144 impairment losses. (Real estate companies, see <b>Special Instructions</b>, A.2., page 12.)</li> <li>c. Goodwill impairment as defined by FAS 142.</li> <li>d. Restructuring costs that reflect write-downs or write-offs of assets or liabilities. (Exclude actual payments and charges to establish reserves for future expected payments, such as for severance pay, and fees to accountants, lawyers, consultants, or other contractors. Include actual payments, and charges to established reserves for future expected payments, in item 40 (cost of goods sold or services rendered and selling, general, and administrative expenses).)</li> <li>e. Disposals of discontinued operations. (Exclude income from the operations of a discontinued segment. Report such income as part of your income from operations in items 32 and 34.)</li> <li>f. Re-measurement of foreign affiliate's foreign-currency-denominated assets and liabilities due to changes in foreign exchange rates during the reporting period.</li> <li>g. Extraordinary, unusual, or infrequently occurring items that are material, including uninsured losses from accidental damage or disasters and other material items, including write-ups, write-downs, and write-offs of tangible and intangible assets and gains (losses) from the sales or other dispositions of capital assets. (Exclude insured losses and legal judgments. Include in item 40.)</li> <li>h. The cumulative effect of a change in accounting principle.</li> <li>i. Change in accounting estimate of provision for expected stock option forfeitures under the inception method as defined by FAS 123.</li> </ul>	2044			
<b>38. Other income</b> — <i>Specify</i>  <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	2045			
<b>39. TOTAL INCOME</b> — <i>Sum of items 34 through 38</i> —————>	2046	\$		
<b>• COSTS AND EXPENSES</b>				
<b>40. Cost of goods sold or services rendered and selling, general, and administrative expenses</b> — (Insurance companies see <b>Special Instructions</b> , B.3.c., page 12.)	2047			
<b>41. Foreign income taxes</b> — Provision for foreign income taxes for FY 2008	2048			
<b>42. Other costs and expenses not included above, including minority interests in income (loss) that arise out of consolidation</b> — <i>Specify</i>  <div style="border: 1px solid black; height: 40px; width: 100%;"></div>	2049			
<b>43. TOTAL COSTS AND EXPENSES</b> — <i>Sum of items 40 through 42</i> —————>	2050	\$		
<b>• NET INCOME</b>				
<b>44. NET INCOME (LOSS)</b> — <i>Item 39 minus item 43</i> —————>	2051	\$		

Remarks

Part II — FINANCIAL AND OPERATING DATA OF MAJORITY-OWNED FOREIGN AFFILIATE — Continued

• ADDENDUM

45. INSURANCE INDUSTRY ACTIVITIES — Premiums earned and losses incurred

Report premiums earned and losses incurred for insurance related activities covered by industry codes 5243 (Insurance carriers, except life insurance carriers) and 5249 (Life insurance carriers).

a. Of the total sales and gross operating revenues reported in item 32, column 2, were any of the sales or revenues generated by insurance related activities covered by industry codes 5243 or 5249?

2180  1  Yes – Answer b and c  
 2  No – Skip to item 46

**NOTE: Complete b and c ONLY if a is answered "Yes."**

b. Premiums earned – Report premiums, gross of commissions, included in revenue during the reporting year. Calculate as direct premiums written (including renewals) net of cancellations, plus reinsurance premiums assumed, minus reinsurance premiums ceded, plus unearned premiums at the beginning of the year, minus unearned premiums at the end of the year. Exclude all annuity premiums. Also exclude premiums and policy fees related to universal and adjustable life, variable and interest-sensitive life, and variable-universal life policies.

c. Losses incurred — Report losses incurred for the insurance products covered by b above. Exclude loss adjustment expenses and losses that relate to annuities. Also exclude losses related to universal and adjustable life, variable and interest-sensitive life, and variable-universal life policies.

For property and casualty insurance, calculate as net losses paid during the reporting year, minus net unpaid losses at the beginning of the year, plus net unpaid losses at the end of the year. In the calculation of net losses, include losses on reinsurance assumed from other companies and exclude losses on reinsurance ceded to other companies. Unpaid losses include both case reserves and losses incurred but not reported.

For life insurance, losses reflect policy claims on reinsurance assumed or on primary insurance sold, minus losses recovered from reinsurance ceded, adjusted for changes in claims due, unpaid, and in the course of settlement.

				Amount			
				Bil.	Mil.	Thous.	Dols.
b. Premiums earned				1			
2181 \$							
c. Losses incurred				1			
2182 \$							

46. WHOLESALE AND RETAIL TRADE INDUSTRY ACTIVITIES — Goods purchased for resale without further processing

Wholesale trade industry activities include the wholesale trade of durable goods and nondurable goods. The wholesale trade of durable goods is covered by industry codes 4231 through 4239. The wholesale trade of nondurable goods is covered by industry codes 4241 through 4249.

Retail trade industry activities are covered by industry codes 4410, 4420, 4431, 4440, 4450, 4461, 4471, 4480, 4510, 4520, 4530, and 4540.

See the *Guide to Industry Classifications for International Surveys, 2002* for a detailed description of each of the wholesale and retail trade industry codes listed above.

a. Of the total sales or gross operating revenues reported in item 32, column 2, were any of the sales or revenues generated by wholesale or retail trade activities?

2183  1  Yes – Answer b and c  
 2  No – Skip to item 47

**NOTE: Complete b and c ONLY if a is answered "Yes."**

b. Enter the cost of goods purchased for resale without further processing during the fiscal year that ended in calendar year 2008.

				Amount (1)			
				Bil.	Mil.	Thous.	Dols.
b. Enter the cost of goods purchased for resale without further processing during the fiscal year that ended in calendar year 2008.				1			
2184 \$							

c. Enter the closing balances at the end of fiscal years 2007 and 2008 of the inventory of goods purchased for resale without further processing.

BALANCES							
Close FY 2008 (1)				Close FY 2007 (Unrestated) (2)			
Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Dols.
1				2			
2185 \$				\$			

BEA USE ONLY

2064

Remarks

**Part II — FINANCIAL AND OPERATING DATA OF MAJORITY-OWNED FOREIGN AFFILIATE — Continued**

**Section B — Distribution of Sales or Gross Operating Revenues — See *Additional Instructions* for Part II, Section B, on page 10 at the back of this form.**

Distribute sales or gross operating revenues among three categories – sales of goods, sales of services, and investment income. For the purpose of this distribution, "goods" are normally economic outputs that are tangible and "services" are normally economic outputs that are intangible. When a sale consists of both goods and services and cannot be unbundled (i.e., the goods and services are not separately billed), classify the sales as goods or services based on whichever accounts for a majority of the value. Give best estimates if actual figures are not available. Insurance companies also see **Special Instructions, B.3.d. and e., page 12.**

47. Sales or gross operating revenues, excluding sales taxes a. Column (1) equals item 34. b. Each column of line 47 equals the sum of items 48, 49 and 50.	TOTAL <i>Column (1) equals the sum of columns (2) through (7)</i>  (1)		Local sales		Sales to U.S.		Sales to other countries	
			To other foreign affiliates of the U.S. Reporter(s)	To unaffiliated customers	To U.S. Reporter(s)	To unaffiliated customers	To other foreign affiliates of the U.S. Reporter(s)	To unaffiliated customers
			(2)	(3)	(4)	(5)	(6)	(7)
	Bil.	Mil. Thous.	Dols.					
2054	\$			\$	\$	\$	\$	\$
<b>• BY TYPE</b>								
<b>48. Sales of goods</b> 2055								
<b>49. Sales of services</b> 2056								
<b>50. Investment income</b> 2057								

**Section C — Number of Employees and Employee Compensation — See *Additional Instructions* for Part II, Section C, on page 10 at the back of this form.**

**NUMBER OF EMPLOYEES** — Employees on the payroll at the end of FY 2008 including part-time employees, but excluding temporary and contract employees not included on your payroll records. A count taken at some other date during the reporting period may be given provided it is a reasonable estimate of employees on the payroll at the end of FY 2008. If the number of employees at the end of FY 2008 (or when the count was taken) was unusually high or low due to temporary factors (e.g., a strike), enter the number of employees that reflects normal operations. If the number of employees fluctuates widely during the year due to seasonal business variations, report the average number of employees on the payroll during FY 2008. Base such an average on the number of employees on the payroll at the end of each pay period, month or quarter. If precise figures are not available, give your best estimate.

**EMPLOYEE COMPENSATION** — Sum of **wages and salaries** and **employee benefit plans**. Expenditures made by an employer in connection with the employment of workers, including cash payments, stock based compensation, payments in-kind, and employer expenditures for employee benefit plans including those required by statute. Base compensation data on payroll records. Report compensation which relates to activities that occurred during the reporting period regardless of whether the activities were charged as an expense on the income statement, charged to inventories, or capitalized. DO NOT include amounts related to activities of a prior period, such as those capitalized or charged to inventories in prior periods.

		Number of employees									
		1									
<b>51. TOTAL NUMBER OF EMPLOYEES — Sum of items 52 and 53</b>	2065										
<b>By Standard Occupation Classification (SOC) — See <i>Additional Instructions</i> on page 10, at the back of this form, for a list of the major SOC groups</b>											
<b>52. Managerial, professional and technical employees (SOC 11-29)</b>	2066										
<b>53. All other employees (SOC 31-55)</b>	2067										
<b>• EMPLOYEE COMPENSATION</b>		Amount									
		Bil.	Mil. Thous.	Dols.							
<b>54. TOTAL EMPLOYEE COMPENSATION — Sum of items 55 and 56</b>	2070										
<b>By Standard Occupation Classification (SOC)</b>											
<b>55. Managerial, professional and technical employees (SOC 11-29)</b>	2073										
<b>56. All other employees (SOC 31-55)</b>	2074										
<b>57. If total employee compensation, item 54, is zero, is the compensation on the payroll of another foreign affiliate?</b>											
2075	1	<input type="checkbox"/> Yes									
	2	<input type="checkbox"/> No — Explain why compensation is zero.									
<table border="1" style="width:100%; height: 40px;"> <tr> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> <td style="width:10%;"></td> </tr> </table>											
<b>58. BEA USE ONLY</b>	1	2	3	4	5						
2076											

Remarks

**Part II — FINANCIAL AND OPERATING DATA OF MAJORITY-OWNED FOREIGN AFFILIATE — Continued**

**Section D — Balance Sheet** — See *Additional Instructions* for Part II, Section D, on page 11 at the back of this form.

Disaggregate all asset and liability items in the detail shown. Show accounts receivable and payable between the U.S. Reporter and its foreign affiliate in the proper asset and liability accounts of the foreign affiliate. Do not report them as a net amount.

	Balance at close of fiscal year			
	Bil.	Mil.	Thous.	Dols.
<b>• ASSETS</b> (Insurance companies see <b>Special Instructions</b> , B.2., page 12)				
<b>59. Cash items</b>				1
2077	\$			1
<b>60. Inventories</b>				1
2081				1
<b>61. Other current assets</b>				1
2082				1
<b>62. Property, plant, and equipment — Gross</b>				1
2084				1
<b>63. Accumulated depreciation and depletion</b>			(	1
2085			)	1
<b>64. Equity investments in other foreign affiliates of which this affiliate is a parent</b> — Report foreign affiliates owned 20 percent or more (including majority-owned affiliates) on an equity basis. Report foreign affiliates owned less than 20 percent in accordance with FAS 115 or lower of cost or market, as appropriate.				1
2086				1
<b>65. Other noncurrent assets</b> — Other noncurrent assets not reported elsewhere				1
2089				1
<b>66. TOTAL ASSETS</b> — <i>Sum of items 59 through 65</i> →				1
2090	\$			1
<b>• LIABILITIES</b> (Insurance companies see <b>Special instructions</b> , B.3.f., page 12)				
<b>67. Trade accounts and trade notes payable, current</b>				1
2091				1
<b>68. Other current liabilities and long-term debt</b>				1
2092				1
<b>69. Other noncurrent liabilities</b>				1
2093				1
<b>70. TOTAL LIABILITIES</b> — <i>Sum of items 67 through 69</i> →				1
2094	\$			1
<b>• OWNERS' EQUITY</b> — INCORPORATED AFFILIATE ONLY, complete items 71 through 77				
<b>71. Capital stock and additional paid-in capital</b>				1
2095				1
<b>72. Retained earnings (deficit)</b>				1
2096				1
<b>Accumulated other comprehensive income (loss)</b>				1
			Balance at close of fiscal year	1
			Bil. Mil. Thous. Dols.	1
<b>73. Translation adjustment component</b>	1			1
2097	\$			1
<b>74. All other components</b>	1			1
2098	\$			1
<b>75. Total accumulated other comprehensive income (loss) — Equals sum of items 73 and 74.</b> →				1
2099				1
<b>76. Other</b> — Include treasury stock and involuntarily (or legally) restricted earnings — <i>Specify</i>				1
2100				1
<b>77. TOTAL OWNERS' EQUITY (INCORPORATED FOREIGN AFFILIATE)</b> — Equals item 66 minus item 70 and, equals the sum of items 71, 72, 75, and 76. →				1
2101	\$			1
<b>• OWNERS' EQUITY</b> — UNINCORPORATED AFFILIATE ONLY, complete items 78 and 79				
<b>78. TOTAL OWNERS' EQUITY (UNINCORPORATED FOREIGN AFFILIATE)</b> — Equals item 66 minus item 70. →				1
2102	\$			1
<b>79. Translation adjustment</b> — Cumulative amount at year end (per FAS 52) — That portion of item 78 representing the affiliate's cumulative translation adjustment account.				1
2103				1

Remarks



**Part II — FINANCIAL AND OPERATING DATA OF MAJORITY-OWNED FOREIGN AFFILIATE — Continued**

<b>Section E — Composition of External Finances of Foreign Affiliate</b>																		
<b>• CLOSE FY 2008</b>																		
80. <b>Current and noncurrent receivables and financial investments</b> — Column (1) equals those accounts included in item 61 and 65 that are trade accounts and trade notes receivable and other receivables, net of allowances for doubtful items; marketable securities; stocks; bonds; and other investments	<b>TOTAL</b> <i>Equals sum of columns (2) through (5)</i> (1)				With U.S. Reporter(s) of this affiliate (2)			With other U.S. persons (3)			With persons in this affiliate's country of location (4)			With other foreign persons (5)				
	Bil.	Mil.	Thous.	Dols.	Bil.	Mil.	Thous.	Bil.	Mil.	Thous.	Bil.	Mil.	Thous.	Bil.	Mil.	Thous.		
2104	\$				2			3			4			5				
81. <b>Current liabilities and long-term debt</b> — Column (1) equals the sum of items 67 and 68.	2105	\$			2			3			4			5				
<b>Section F — Property, Plant and Equipment (PP&amp;E) —</b> <i>See Additional Instructions for Part II, Section F on page 11 at the back of this form.</i>																		
PP&E includes land, timber, mineral and like rights owned, structures, machinery, equipment, special tools, and other depreciable property; construction in progress; and capitalized and expensed tangible and intangible exploration and development costs, but excludes other types of intangible assets, and land held for resale. (Insurance companies see Special Instructions, B.3.g, page 12.)															Amount			
															Bil.	Mil.	Thous.	Dols.
82. <b>Expenditures for new and used property, plant, and equipment (PP&amp;E)</b>	2109	\$																
83. <b>Current-period depreciation and depletion</b> — Current-period charges against property, plant, and equipment included in item 63.	2111																	
84. <b>BEA USE ONLY</b>	2116																	
<b>Section G — Change in Retained Earnings of Incorporated Foreign Affiliate or in Total Owners' Equity of Unincorporated Foreign Affiliate</b>																		
															Amount			
															Bil.	Mil.	Thous.	Dols.
85. <b>Balance, close FY 2007 before restatement due to a change in the entity or a change in accounting methods or principles, if any</b>	2117	\$																
<b>• CHANGES DURING FY 2008</b>																		
86. <b>Restatement due to a change in the entity (i.e., due to mergers, acquisitions, divestitures, etc.) or due to a change in accounting methods or principles.</b> — <i>Specify reasons for change</i>	2118																	
87. <b>Net income (loss)</b> — Enter amount from item 44.	2119																	
88. <b>Dividends or net income remitted to owners</b> Incorporated affiliate — Enter amount of dividends declared, before deduction of withholding taxes, out of current- and prior-period income on common and preferred stock during FY 2008. Exclude stock and liquidating dividends. Unincorporated affiliate — Enter amount of current- and prior-period net income remitted to owners during FY 2008.	2120																	
89. <b>Other increases (decreases)</b> — Enter other increases (decreases) in retained earnings of an incorporated affiliate, including stock dividends and liquidating dividends, or in total owners' equity of an unincorporated affiliate, including capital contributions (return of capital) — <i>Specify</i>	2122																	
90. <b>Balance, close FY 2008</b> — Sum of items 85, 86, 87, and 89, minus 88. Also, for an incorporated affiliate, this item equals item 72. For an unincorporated affiliate, this item equals item 78.	2123	\$																
<b>Section H — Interest and Taxes</b>																		
															Amount			
															Bil.	Mil.	Thous.	Dols.
91. <b>Interest income</b> — Interest received or due to the affiliate from all payors (including affiliated persons), net of tax withheld at the source. Include all interest receipts included in items 34 and 38. Do not net against interest expensed, item 92.	2124	\$																
92. <b>Interest expensed or capitalized</b> — Interest expensed or capitalized by the affiliate, paid or due to all payees (including affiliated persons), gross of tax withheld. Do not net against interest income, item 91.	2125																	
93. <b>Taxes (other than income and payroll taxes) and nontax payments (other than production royalty payments)</b> — Report all such taxes and nontax payments whether or not included in revenues or expenses in the income statement. Include amounts paid or accrued for the year, net of refunds or credits, to foreign governments, their subdivisions and agencies for — a. Sales, value added, consumption, and excise taxes collected by the affiliate on goods and services that the affiliate sold; b. Property and other taxes on the value of assets and capital; c. Any remaining taxes (other than income and payroll taxes); and d. Import and export duties, license fees, fines, penalties, and all other payments or accruals of nontax liabilities (other than production royalty payments for natural resources).	2127																	
<b>Section I — Technology — See Additional Instructions for Part II, Section I, on page 11 at the back of this form.</b>																		
<b>• RESEARCH AND DEVELOPMENT (R&amp;D) EXPENDITURES</b> — Item 94 pertains to only R&D performed by the foreign affiliate, including R&D performed by the affiliate for others (including the U.S. Reporter or its other foreign affiliates) under contract. This is the basis on which National Science Foundation surveys request information on R&D. (Exclude the cost of any R&D funded by the affiliate but performed by others, such as the affiliate's allocated share of R&D performed by the U.S. Reporter (report such R&D on Form BE-11A, item 60).  Include all costs incurred in performing R&D, including depreciation, amortization, wages and salaries, property taxes and other taxes (except income taxes), materials and supplies, allocated overhead, and indirect costs.															Amount			
															Bil.	Mil.	Thous.	Dols.
94. <b>R&amp;D performed BY the affiliate</b>	2138	\$																
95. <b>BEA USE ONLY</b>	2129																	
96. <b>BEA USE ONLY</b>	2143																	



**Part III — U.S. EXPORTS TO AND U.S. IMPORTS FROM MAJORITY-OWNED FOREIGN AFFILIATE**

**Goods only valued f.a.s. at port of exportation; do not include services — See Instruction Booklet, Part V.**

**IMPORTANT NOTES**

Report U.S. exports of goods to and U.S. imports of goods from the foreign affiliate in FY 2008. Report all goods that physically left or entered the U.S. customs area. Report data on a "shipped" basis, i.e., on the basis of when and to (or by) whom the goods were shipped. This is the same basis as official U.S. trade statistics to which these data will be compared. Do **not** record a U.S. import or export if the goods did not physically enter or leave (i.e., were not physically shipped to or from) the United States, even if they were charged to the foreign affiliate by, or charged by the foreign affiliate to, a U.S. person.

Foreign affiliates normally keep their accounting records on a "charged" basis, i.e., on the basis of when and to (or by) whom the goods were charged. The "charged" basis may be used if there is no material difference between it and the "shipped" basis. If there is a material difference, the "shipped" basis must be used or adjustments made to the data on a "charged" basis to approximate a "shipped" basis. The data should include goods only; they should exclude services.

**Capital goods** — Include capital goods but exclude the value of ships, planes, railroad rolling stock, and trucks that were temporarily outside the United States transporting people or goods.

**Consigned goods** — Include consigned goods in the trade figures when shipped or received, even though they are not normally recorded as sales or purchases, or entered into intercompany accounts when initially consigned.

**In-transit goods** — Exclude from exports and imports the value of goods that are in-transit. In-transit goods are goods that are not processed or consumed by residents in the intermediate country(ies) through which they transit; the in-transit goods enter that country(ies) only because that country(ies) is along the shipping lines between the exporting and importing countries. In-transit imports are goods en route from one foreign country to another via the United States (such as from Canada to Mexico via the United States), and in-transit exports are goods en route from one part of the United States to another part via a foreign country (such as from Alaska to Washington State via Canada).

**Packaged general use computer software** — Include exports and imports of packaged general use computer software. Value such exports and imports at the full transaction value, i.e., the market value of the media on which the software is recorded and the value of the information contained on the media. Do not include exports and imports of customized software designed to meet the needs of a specific user. This type of software is considered a service and should not be included as trade in goods. Also do not include negotiated leasing fees for software that is to be used on networks.

**Natural gas, electricity, and water** — Report **ONLY** the product value of natural gas, electricity, and water that you produce or sell at wholesale as exports and imports of goods. **DO NOT** report the service value (transmission and distribution).

**97. On what basis were the trade data in the section prepared? — Mark (X) one.**

- 4172  1  "Shipped" basis  
 2  "Charged" basis without adjustments, because there is no material difference between the "charged" and "shipped" bases.  
 3  "Charged" basis with adjustments to correct for material differences between the "charged" and "shipped" bases.

U.S. EXPORTS OF GOODS TO THIS FOREIGN AFFILIATE (Valued f.a.s. U.S. port)	TOTAL		Shipped by U.S. Reporter(s)		Shipped by other U.S. persons	
	(1)		(2)		(3)	
	Bil. Mil. Thous.	Dols.	Bil. Mil. Thous.	Dols.	Bil. Mil. Thous.	Dols.
<b>98. Total goods shipped in FY 2008 from the U.S. to this affiliate</b>	1	2	3			
4173	\$	\$	\$			
U.S. IMPORTS OF GOODS FROM THIS FOREIGN AFFILIATE (Valued f.a.s. foreign port)	TOTAL		Shipped to U.S. Reporter(s)		Shipped to other U.S. persons	
	(1)		(2)		(3)	
	Bil. Mil. Thous.	Dols.	Bil. Mil. Thous.	Dols.	Bil. Mil. Thous.	Dols.
<b>99. Total goods shipped in FY 2008 to the U.S. by this affiliate</b>	1	2	3			
4178	\$	\$	\$			
<b>100. BEA USE ONLY</b>	1	2	3			
4179						

Remarks

**2008 ANNUAL SURVEY OF U.S. DIRECT INVESTMENT ABROAD**  
**FORM BE-11B(LF)**  
**ADDITIONAL INSTRUCTIONS BY ITEM**

**Part I — IDENTIFICATION OF FOREIGN AFFILIATE**

**3. Country of location** — If the affiliate is engaged in petroleum shipping, other water transportation, or oil and gas drilling, and has operations spanning more than one country, use country of incorporation for country of location. For example, classify in country of incorporation an oil drilling rig that moves from country to country during the year.

**6. Ownership by U.S. Reporter named in item 1.**

**Equity interest** is the U.S. Reporter's direct ownership in the total equity (voting and nonvoting) of the affiliate. Examples of nonvoting equity include nonvoting stock and a limited partner's interest in a partnership.

**Voting interest** is the U.S. Reporter's direct ownership in just the voting equity of the affiliate. Examples of voting equity include voting stock and a general partner's interest in a partnership. Thus, a U.S. Reporter could have a 100 percent direct voting interest in an affiliate but own less than 100 percent of the affiliate's total equity.

**24.—32.**

**Sales or gross operating revenues of foreign affiliate, by industry of sales or gross operating revenues.** See **Additional Instructions** for Part II, Section A, item 34 below.

**Holding companies** (ISI code 5512) must show total income as reported in item 39. To be considered a holding company, income from equity investments (items 35 and 36) must be more than 50 percent of total income (item 39). In addition, normally at least 50 percent of total assets must consist of investments in affiliates. ISI code 5512, (holding company), is an invalid classification if more than 50 percent of income generated, or expected to be generated, by an affiliate is from non-holding company activities.

Dealers in financial instruments and finance, insurance, and real estate companies see **Special Instructions** on page 12.

**Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE**

**• Section A — Income Statement**

**34. Sales or gross operating revenues, excluding sales taxes** —

Report gross operating revenues or gross sales minus returns, allowances, and discounts. Exclude sales or consumption taxes levied directly on the consumer. Exclude net value-added and excise taxes levied on manufacturers, wholesalers, and retailers. Include revenues generated during the year from the operations of a discontinued business segment, but exclude gains or losses from disposals of discontinued operations. Report such gains or losses on page 4, item 37. Affiliates classified in ISI codes 5223, 5224, 5231, 5238, 5252 and 5331 report interest income on this line. Insurance companies with ISI codes 5243 and 5249 should include gross investment income in this item. Dealers in financial instruments and finance, insurance, and real estate companies see **Special Instructions** on page 12.

**35. Income from equity investments in foreign affiliates** —

Report income from equity investments shown in item 64 of all foreign affiliates whether or not they are required to file a form BE-11B. Do not report interest income here. Report interest in item 34 or 38 as appropriate.

**36. Income from other equity investments** — Report income from equity investments included in item 65. Do not include interest income here. Report interest in item 34 or 38 as appropriate.

**38. Other income** — Report non-operating and other income not included in items 34—37.

**40. Cost of goods sold or services rendered and selling, general, and administrative expenses** — Report operating expenses that relate to sales or gross operating revenues (item 34) and selling, general, and administrative expenses. Include production royalty payments to governments, their subdivisions and agencies, and to other persons. Include depletion charges representing the amortization of the actual cost of capital assets but exclude all other depletion charges. Companies with ISI codes 5223, 5224, 5231, 5238, 5252 and 5331 should include interest expense.

**41. Foreign income taxes** — Exclude production royalty payments and U.S. income taxes.

**42. Other costs and expenses not included above, including minority interests in income (loss) that arise out of consolidation** — Report the net effect of any minority interest in the income and expense items as a lump sum in this item.

**• Section B — Distribution of Sales or Gross Operating Revenues**

**47.—50.**

Disaggregate the total sales or gross operating revenues into sales of goods, investment income, and sales of services.

**48. Sales of goods** — Goods are normally economic outputs that are tangible. Report as sales of goods:

- Mass produced media, including exposed film, video tapes, DVD's, audio tapes, and CD's.
- Books. NOTE: Book publishers — To the extent feasible, report as sales of services all revenues associated with the design, editing, and marketing activities necessary for producing and distributing books that you both publish and sell. If you cannot unbundle (i.e., separate) these revenues from the value of the books you sell, then report your total sales as sales of goods or services based on the activity that accounts for a majority of the value.

- Energy trading activities where you take title to the goods. NOTE: If you act in the capacity of a broker or agent to facilitate the sale of goods and you do not take title to the goods, report your revenue (i.e., commissions) as sale of services in item 49.
- Magazines and periodicals sold in retail stores. NOTE: Report subscription sales as sales of services in item 49.
- Packaged general use computer software.
- Structures sold by businesses in real estate.
- Revenues earned from building structures by businesses in construction
- Electricity, Natural gas, and Water. NOTE: Revenues derived from transmitting and/or distributing these goods, as opposed to revenues derived from the sale of the actual product, should to the extent feasible, be reported as sales of services in item 49.

**49. Sales of services** — Services are normally economic outputs that are intangible. Report as sales of services:

- Advertising revenue.
- Commissions and fees earned by companies engaged in finance and real estate activities.
- Premiums earned by companies engaged in insurance activities. NOTE: Calculate as direct premiums written (including renewals) net of cancellations, plus reinsurance premiums assumed, minus reinsurance premiums ceded, plus unearned premiums at the beginning of the year, minus unearned premiums at the end of the year.
- Commissions earned by agents or brokers (i.e., wholesalers) who act on behalf of buyers and sellers in the wholesale distribution of goods. NOTE: Agents or brokers do not take title to the goods being sold.
- Magazines and periodicals sold through subscriptions. NOTE: Report magazines and periodicals sold through retail stores, as sales of goods in item 48.
- Newspapers.
- Pipeline transportation.
- Software downloaded from the Internet, electronic mail, an Extranet, an Electronic Data Interchange network, or some other online system.
- Computer systems design and related services.
- Negotiated licensing fees for software to be used on networks.
- Electricity transmission and distribution, natural gas distribution, and water distribution.

Report the source of real estate rental income in columns 2 through 7 based on the location of the property.

**50. Investment income** — Report dividends and interest generated by finance and insurance activities as investment income. NOTE: Report commissions and fees as sales of services in item 49.

Finance or insurance companies that include investment income in gross operating revenues should report the source of such investment income in columns 2 through 7 based on the location of the issuer of the financial instrument whether publicly issued or privately placed. If the location of the issuer is unknown, then substitute the nationality of the issuer. If both the location and nationality of the issuer are unknown, and an intermediary (e.g., trustee, custodian, or nominee) is used to manage the investment (financial instrument or real estate) use the country of location of the intermediary.

**• Section C — Number of Employees and Employee Compensation**

**52., 53., 55., and 56.**

**Managerial, professional and technical employees** — Covers employees in Standard Occupation Classification System (SOC) groups 11—29 listed below:

- 11-Management Occupations
- 13-Business and Financial Operations Occupations
- 15-Computer and Mathematical Occupations
- 17-Architecture and Engineering Occupations
- 19-Life, Physical, and Social Science Occupations
- 21-Community and Social Services Occupations
- 23-Legal Occupations
- 25-Education, Training, and Library Occupations
- 27-Arts, Design, Entertainment, Sports, and Media Occupations
- 29-Healthcare Practitioners and Technical Occupations

**All other employees** — Covers employees in SOC groups 31—55 listed below:

- 31-Healthcare Support Occupations
- 33-Protective Service Occupations
- 35-Food Preparation and Serving Related Occupations
- 37-Building and Grounds Cleaning and Maintenance Occupations
- 39-Personal Care and Service Occupations
- 41-Sales and Related Occupations
- 43-Office and Administrative Support Occupations
- 45-Farming, Fishing, and Forestry Occupations
- 47-Construction and Extraction Occupations
- 49-Installation, Maintenance, and Repair Occupations
- 51-Production Occupations
- 53-Transportation and Material Moving Occupations
- 55-Military Specific Occupations

The **SOC** and related information can be found at the Bureau of Labor Statistics web site [www.bls.gov](http://www.bls.gov). Using the A-Z index, select Standard Occupational Classification (SOC).

**Part II — FINANCIAL AND OPERATING DATA OF FOREIGN AFFILIATE — Continued**

• **Section C — Number of Employees and Employee Compensation — Continued**

**54. Employee compensation** — Consists of wages and salaries of employees and employer expenditures for all employee benefit plans.

**Wages and salaries** — Report gross earnings of all employees before deduction of employees' payroll withholding taxes, social insurance contributions, group insurance premiums, union dues, etc. Include time and piece rate payments, cost of living adjustments, overtime pay and shift differentials, bonuses, profit sharing amounts, stock based compensation, and commissions. Exclude commissions paid to independent personnel who are not employees.

Include direct payments by employers for vacations, sick leave, severance (redundancy) pay, etc. Exclude payments made by, or on behalf of, benefit funds rather than by the employer. (Include employer contributions to benefit funds in "employee benefit plans.")

Include in-kind payments, valued at their cost, that are clearly and primarily of benefit to the employees as consumers. Do not include expenditures that benefit employers as well as employees, such as expenditures for plant facilities, employee training programs, and reimbursement of business expenses.

**Employee benefit plans** — Report employer expenditures for all employee benefit plans including those mandated by government statute, those resulting from collective bargaining contracts and those that are voluntary. Include Social Security and other retirement plans, life and disability insurance, guaranteed sick pay programs, workers' compensation insurance, medical insurance, family allowances, unemployment insurance, severance pay funds, etc. Also, include deferred post employment and post retirement expenses per FAS 106. If plans are financed jointly by the employer and the employee, include only the contributions of the employer.

• **Section D — Balance Sheet**

**59. Cash items** — Include deposits in financial institutions and other cash items. Do NOT include overdrafts as negative cash. Instead, report overdrafts in item 68 (other current liabilities and long-term debt). Exclude certificates of deposits (CDs) of the affiliate representing cash on deposit with others. Instead, report CDs in item 61 (other current assets) or 65 (other noncurrent assets) as appropriate.

**60. Inventories** — Land development companies should exclude land held for resale (include in item 61). Finance and insurance companies should exclude inventories of marketable securities (include in item 61 or 65, as appropriate).

**62. Property, plant, and equipment gross** — Report gross book value of land, timber, mineral rights and similar rights owned. Also include structures, machinery, equipment, special tools, deposit containers, construction in progress, and capitalized tangible and intangible exploration and development costs of the foreign affiliate. Include items on capital leases from others, per FAS 13. Exclude all other types of intangible assets, and land held for resale. (Unincorporated affiliates include items owned by the U.S. Reporter(s) but in the affiliate's possession whether or not carried on the affiliate's books or records. However, insurance companies see **Special Instructions** B.2, page 12.)

**64. Equity investments in other foreign affiliates of which this affiliate is a parent** — Report this affiliate's equity investment in other foreign affiliates of the U.S. Reporter(s), including branches of this affiliate. (If this line has an entry, item 35 should contain data.)

**65. Other noncurrent assets** — Include the noncurrent portion of CD's held by others; other equity investments; noncurrent marketable securities; other noncurrent investments; noncurrent trade accounts and trade notes receivable net of allowance for doubtful items; intangible assets net of amortization; and any other noncurrent assets not reported elsewhere. Report credit balances in these accounts in item 69, other noncurrent liabilities.

**68. Other current liabilities and long-term debt** — Include overdrafts, other current liabilities not included in item 67, and long-term debt. Include intercompany debt as well as debt with unaffiliated parties. Also include lease obligations capitalized per FAS 13 with an original maturity of more than one year or with no stated maturity.

**69. Other noncurrent liabilities** — Include noncurrent items but exclude long-term debt. Include deferred taxes and minority interest in consolidated subsidiaries.

**71. Capital stock and additional paid-in capital** — Include common and preferred, voting and nonvoting capital stock and additional paid-in capital.

**72. Retained earnings (deficit)** — Include earnings retained by the corporation and legally available for dividends; and earnings voluntarily restricted.

**74. All other components of owner's equity** — Include the cumulative balance of unrealized holding gains and losses due to changes in the valuation of available-for-sale securities per FAS 115 and any other comprehensive income items required to be displayed separately from retained earnings as per FAS 130.

• **Section F — Property, Plant and Equipment (PP&E)**

**82. Expenditures for new and used PP&E** — Include items leased from others (including land) under capital leases. Also include the capitalized value of timber, mineral and similar rights leased by the affiliate from others. Exclude items the affiliate has sold under a capital lease.

Exclude from expenditures all changes in PP&E, resulting from a change in the entity (e.g., mergers, acquisitions, divestitures, etc.) or accounting principles during FY 2008.

**For foreign affiliates engaged in exploring for or developing natural resources**, include exploration and development expenditures made during FY 2008 that were capitalized, including capitalized expenditures to acquire or lease mineral rights. Do not include adjustments for expenditures charged against income in prior years but subsequently capitalized during FY 2008.

• **Section I — Technology**

**94. Research and development expenditures** — R&D includes the following:

1. The planned, systematic pursuit of new knowledge or understanding toward general application (**basic research**);
2. The acquisition of knowledge or understanding to meet a specific, recognized need (**applied research**); and
3. The application of knowledge or understanding toward the production or improvement of a product, service, process, or method (**development**).

**Basic research** is the pursuit of new scientific knowledge or understanding that does not have specific immediate commercial objectives, although it may be in fields of present or potential commercial interest.

**Applied research** applies the findings of basic research or other existing knowledge toward discovering new scientific knowledge that has specific commercial objectives with respect to new products, services, processes, or methods.

**Development** is the systematic use of the knowledge or understanding gained from research or practical experience directed toward the production or significant improvement of useful products, services, processes, or methods, including the design and development of prototypes, materials, devices, and systems.

R&D includes the activities described above, whether assigned to separate organizational units of the company or conducted by company laboratories and technical groups that are not a part of a separate R&D organization.

Exclude expenditures for quality control; routine product testing; market research; sales promotion, sales service, and other nontechnological activities; routine technical services; research in the social sciences or psychology; geological and geophysical exploration activities, and advertising programs to promote or demonstrate new products or processes.

Include all costs incurred to support R&D. Include wages, salaries, and related costs; materials and supplies consumed; R&D depreciation, cost of computer software used in R&D activities; utilities, such as telephone, telex, electricity, water, and gas; travel costs and professional dues; property taxes and other taxes (except income taxes) incurred on account of the R&D organization or the facilities they use; insurance expenses; maintenance and repair, including maintenance of buildings and grounds; company overhead including: personnel, accounting, procurement and inventory, and salaries of research executives not on the payroll of the R&D organization. Exclude capital expenditures, expenditures for tests and evaluations once a prototype becomes a production model, patent expenses, and income taxes and interest.



**SPECIAL INSTRUCTIONS FOR DEALERS IN FINANCIAL  
INSTRUMENTS, FINANCE COMPANIES, INSURANCE  
COMPANIES AND REAL ESTATE COMPANIES**

**A. Certain gains (losses) for (1) dealers in financial instruments and finance and insurance companies, and (2) real estate companies.**

**1. Dealers in financial instruments (including securities, currencies, derivatives, and other financial instruments) and finance and insurance companies** — Include in item 37:

- impairment losses as defined by FAS 115,
- realized gains and losses on trading or dealing,
- unrealized gains or losses, due to changes in the valuation of financial instruments, that flow through the income statement, and
- goodwill impairment as defined by FAS 142.

**EXCLUDE** from item 37, unrealized gains or losses due to changes in the valuation of financial instruments that are taken to other comprehensive income. Reflect such changes in item 74 (all other components of accumulated other comprehensive income (loss)).

**EXCLUDE** from item 37, income from explicit fees and commissions. Include income from these fees and commissions as operating income in items 32 and 34 and as sales of services in item 49.

**2. Real estate companies** — Include in item 37:

- impairment losses as defined by FAS 144 and
- goodwill impairment as defined by FAS 142.

**EXCLUDE** the revenues earned and expenses incurred from the sale of real estate you own. Such revenues should be reported as operating income in items 32, 34, and 47 and as sales of goods in item 48. Such expenses, including the net book value of the real estate sold, should be reported as costs of goods sold in item 40. Do not net the expenses against the revenues.

**B. Special Instructions for insurance companies**

1. When there is a difference between the financial and operating data reported to the stockholders and the data reported in the annual statement to an insurance department, prepare the BE-11 on the same basis as the annual report to the stockholders. Valuation should be according to normal commercial accounting procedures, not at rates promulgated by national insurance departments, e.g., include assets not acceptable for inclusion in the annual statement to an insurance department, such as:  
1. non-trusted or free account assets and 2. nonadmitted assets, including furniture and equipment, agents' debit balances, and all receivables deemed to be collectible. Include mandatory securities valuation reserves that are appropriations of retained earnings in the owners' equity section of the balance sheet not in the liability section.

2. Do not include assets of the U.S. Reporter held in the country of location of the affiliate that are for the benefit of the U.S. Reporter's policyholders.

**3. Instructions for reporting specific items**

**a. Sales or gross operating revenues, excluding sales taxes (item 34)** — Include items such as earned premiums, annuity considerations, gross investment income, and items of a similar nature. Exclude income from equity investments in unconsolidated business enterprises that is to be reported in item 35 and exclude certain gains or losses that are to be reported in item 37.

**b. Certain gains (losses) (item 37)** — See **Special Instructions, A.1.**

**c. Cost of goods sold or services rendered and selling, general, and administrative expenses (item 40)** — Include costs relating to sales or gross operating revenues, such as policy losses incurred, death benefits, matured endowments, other policy benefits, increases in liabilities for future policy benefits, and other underwriting expenses.

**d. Sales of services (item 49, column 1)** — Include premium income and income from other services, if any. See **Additional Instructions** for Part II, Section B., item 49, on page 10.

**e. Investment income (item 50, column 1)** — Report that portion of sales or gross operating revenues that is investment income. However, report any gains or losses on investments, in accordance with **Special Instructions, A.1.** See **Additional Instructions** for Part II, Section B, item 50, on page 10 to determine the location of the transactor of investment income.

**f. Current liabilities and long-term debt (items 67 and 68)** — Include current items such as loss liabilities, policy claims, commissions due, and other current liabilities arising from the ordinary course of business, and long-term debt. Include policy reserves in "Other noncurrent liabilities," item 69, unless they are clearly current liabilities.

**g. Expenditures for property, plant, and equipment (item 82)** — Include expenditures WHEREVER CLASSIFIED IN THE BALANCE SHEET (e.g., include expenditures that have been classified in "other noncurrent assets").

## SUMMARY OF INDUSTRY CLASSIFICATIONS

### AGRICULTURE, FORESTRY, FISHING, AND HUNTING

- 1110 Crop production
- 1120 Animal production
- 1130 Forestry and logging
- 1140 Fishing, hunting, and trapping
- 1150 Support activities for agriculture and forestry

### MINING

- 2111 Oil and gas extraction
- 2121 Coal
- 2123 Nonmetallic minerals
- 2124 Iron ores
- 2125 Gold and silver ores
- 2126 Copper, nickel, lead, and zinc ores
- 2127 Other metal ores
- 2132 Support activities for oil and gas operations
- 2133 Support activities for mining, except for oil and gas operations

### UTILITIES

- 2211 Electric power generation, transmission, and distribution
- 2212 Natural gas distribution
- 2213 Water, sewage, and other systems

### CONSTRUCTION

- 2360 Construction of buildings
- 2370 Heavy and civil engineering construction
- 2380 Specialty trade contractors

### MANUFACTURING

- 3111 Animal foods
- 3112 Grain and oilseed milling
- 3113 Sugar and confectionery products
- 3114 Fruit and vegetable preserving and specialty foods
- 3115 Dairy products
- 3116 Meat products
- 3117 Seafood product preparation and packaging
- 3118 Bakeries and tortillas
- 3119 Other food products
- 3121 Beverages
- 3122 Tobacco
- 3130 Textile mills
- 3140 Textile product mills
- 3150 Apparel
- 3160 Leather and allied products
- 3210 Wood products
- 3221 Pulp, paper, and paperboard mills
- 3222 Converted paper products
- 3231 Printing and related support activities
- 3242 Integrated petroleum refining and extraction
- 3243 Petroleum refining without extraction
- 3244 Asphalt and other petroleum and coal products
- 3251 Basic chemicals
- 3252 Resins, synthetic rubbers, and artificial and synthetic fibers and filaments
- 3253 Pesticides, fertilizers, and other agricultural chemicals
- 3254 Pharmaceuticals and medicines
- 3255 Paints, coatings, and adhesives
- 3256 Soap, cleaning compounds, and toilet preparations
- 3259 Other chemical products and preparations
- 3261 Plastics products
- 3262 Rubber products
- 3271 Clay products and refractories
- 3272 Glass and glass products
- 3273 Cement and concrete products
- 3274 Lime and gypsum products
- 3279 Other nonmetallic mineral products
- 3311 Iron and steel mills and ferroalloys
- 3312 Steel products from purchased steel
- 3313 Alumina and aluminum production and processing
- 3314 Nonferrous metal (except aluminum) production and processing
- 3315 Foundries
- 3321 Forging and stamping

- 3322 Cutlery and handtools
- 3323 Architectural and structural metals
- 3324 Boilers, tanks, and shipping containers
- 3325 Hardware
- 3326 Spring and wire products
- 3327 Machine shops; turned products; and screws, nuts, and bolts
- 3328 Coating, engraving, heat treating, and allied activities
- 3329 Other fabricated metal products
- 3331 Agriculture, construction, and mining machinery
- 3332 Industrial machinery
- 3333 Commercial and service industry machinery
- 3334 Ventilation, heating, air-conditioning, and commercial refrigeration equipment
- 3335 Metalworking machinery
- 3336 Engines, turbines, and power transmission equipment
- 3339 Other general purpose machinery
- 3341 Computer and peripheral equipment
- 3342 Communications equipment
- 3343 Audio and video equipment
- 3344 Semiconductors and other electronic components
- 3345 Navigational, measuring, electromedical, and control instruments
- 3346 Manufacturing and reproducing magnetic and optical media
- 3351 Electric lighting equipment
- 3352 Household appliances
- 3353 Electrical equipment
- 3359 Other electrical equipment and components
- 3361 Motor vehicles
- 3362 Motor vehicle bodies and trailers
- 3363 Motor vehicle parts
- 3364 Aerospace products and parts
- 3365 Railroad rolling stock
- 3366 Ship and boat building
- 3369 Other transportation equipment
- 3370 Furniture and related products
- 3391 Medical equipment and supplies
- 3399 Other miscellaneous manufacturing

### WHOLESALE TRADE

#### MERCHANT WHOLESALERS, DURABLE GOODS

- 4231 Motor vehicles and motor vehicle parts and supplies merchant wholesalers
- 4232 Furniture and home furnishing merchant wholesalers
- 4233 Lumber and other construction materials merchant wholesalers
- 4234 Professional and commercial equipment and supplies merchant wholesalers
- 4235 Metal and mineral (except petroleum) merchant wholesalers
- 4236 Electrical and electronic goods merchant wholesalers
- 4237 Hardware, and plumbing and heating equipment and supplies merchant wholesalers
- 4238 Machinery, equipment, and supplies merchant wholesalers
- 4239 Miscellaneous durable goods merchant wholesalers

#### MERCHANT WHOLESALERS, NONDURABLE GOODS

- 4241 Paper and paper product merchant wholesalers
- 4242 Drugs and druggists' sundries merchant wholesalers
- 4243 Apparel, piece goods, and notions merchant wholesalers
- 4244 Grocery and related product merchant wholesalers
- 4245 Farm product raw material merchant wholesalers
- 4246 Chemical and allied products merchant wholesalers
- 4247 Petroleum and petroleum products merchant wholesalers
- 4248 Beer, wine, and distilled alcoholic beverage merchant wholesalers
- 4249 Miscellaneous nondurable goods merchant wholesalers

### ELECTRONIC MARKETS AND AGENTS AND BROKERS

- 4251 Wholesale electronic markets and agents and brokers

### RETAIL TRADE

- 4410 Motor vehicle and parts dealers
- 4420 Furniture and home furnishings stores
- 4431 Electronics and appliance stores
- 4440 Building material and garden equipment and supplies dealers
- 4450 Food and beverage stores
- 4461 Health and personal care stores
- 4471 Gasoline stations
- 4480 Clothing and clothing accessories stores
- 4510 Sporting goods, hobby, book, and music stores
- 4520 General merchandise stores
- 4530 Miscellaneous store retailers
- 4540 Nonstore retailers

### TRANSPORTATION AND WAREHOUSING

- 4810 Air transportation
- 4821 Rail transportation
- 4833 Petroleum tanker operations
- 4839 Other water transportation
- 4840 Truck transportation
- 4850 Transit and ground passenger transportation
- 4863 Pipeline transportation of crude oil, refined petroleum products, and natural gas
- 4868 Other pipeline transportation
- 4870 Scenic and sightseeing transportation
- 4880 Support activities for transportation
- 4920 Couriers and messengers
- 4932 Petroleum storage for hire
- 4939 Other warehousing and storage

### INFORMATION

- 5111 Newspaper, periodical, book, and directory publishers
- 5112 Software publishers
- 5121 Motion picture and video industries
- 5122 Sound recording industries
- 5151 Radio and television broadcasting
- 5152 Cable and other subscription programming
- 5161 Internet publishing and broadcasting
- 5171 Wired telecommunications carriers
- 5172 Wireless telecommunications carriers (except satellite)
- 5173 Telecommunications resellers
- 5174 Satellite telecommunications
- 5175 Cable and other program distribution
- 5179 Other telecommunications
- 5181 Internet service providers and web search portals
- 5182 Data processing, hosting, and related services
- 5191 Other information services

### FINANCE AND INSURANCE

- 5221 Depository credit intermediation (Banking)
- 5223 Activities related to credit intermediation
- 5224 Nondepository credit intermediation
- 5229 Nondepository branches and agencies
- 5231 Securities and commodity contracts intermediation and brokerage
- 5238 Other financial investment activities and exchanges
- 5242 Agencies, brokerages, and other insurance related activities
- 5243 Insurance carriers, except life insurance carriers
- 5249 Life insurance carriers
- 5252 Funds, trusts, and other financial vehicles

**SUMMARY OF INDUSTRY CLASSIFICATIONS**

**REAL ESTATE AND RENTAL AND LEASING**

- 5310 Real estate
- 5321 Automotive equipment rental and leasing
- 5329 Other rental and leasing services
- 5331 Lessors of nonfinancial intangible assets (except copyrighted works)

**PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES**

- 5411 Legal services
- 5412 Accounting, tax preparation, bookkeeping, and payroll services
- 5413 Architectural, engineering, and related services
- 5414 Specialized design services
- 5415 Computer systems design and related services
- 5416 Management, scientific, and technical consulting services
- 5417 Scientific research and development services
- 5418 Advertising and related services
- 5419 Other professional, scientific, and technical services

**MANAGEMENT OF COMPANIES AND ENTERPRISES**

- 5512 Holding companies, except bank holding companies
- 5513 Corporate, subsidiary, and regional management offices

**ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES**

- 5611 Office administrative services
- 5612 Facilities support services
- 5613 Employment services
- 5614 Business support services
- 5615 Travel arrangement and reservation services
- 5616 Investigation and security services
- 5617 Services to buildings and dwellings
- 5619 Other support services
- 5620 Waste management and remediation services

**EDUCATIONAL SERVICES**

- 6110 Educational services

**HEALTH CARE AND SOCIAL ASSISTANCE**

- 6210 Ambulatory health care services
- 6220 Hospitals
- 6230 Nursing and residential care facilities
- 6240 Social assistance

**ARTS, ENTERTAINMENT, AND RECREATION**

- 7110 Performing arts, spectator sports, and related industries
- 7121 Museums, historical sites, and similar institutions
- 7130 Amusement, gambling, and recreation industries

**ACCOMMODATION AND FOOD SERVICES**

- 7210 Accommodation
- 7220 Food services and drinking places

**OTHER SERVICES**

- 8110 Repair and maintenance
- 8120 Personal and laundry services
- 8130 Religious, grantmaking, civic, professional, and similar organizations

**PUBLIC ADMINISTRATION**

- 9200 Public administration