

**General Chemical Industrial
Products Inc. and Subsidiaries**
Consolidated Financial Statements and Report of
Independent Auditors
March 31, 2010 and 2009

General Chemical Industrial Products Inc. and Subsidiaries

Index

March 31, 2010 and 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of
General Chemical Industrial Products Inc. and Subsidiaries
East Hanover, New Jersey

We have audited the accompanying consolidated balance sheets of General Chemical Industrial Products Inc. and Subsidiaries (the "Company") as of March 31, 2010 and 2009, and the related consolidated statements of income, cash flows, and changes in shareholder's deficit for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the consolidated financial statements, effective April 1, 2009, the Company adopted new guidance on the accounting for noncontrolling interests. As discussed in Note 2 to the consolidated financial statements, effective April 1, 2009, the Company adopted new guidance on the accounting for uncertainty in income taxes.

June 4, 2010

General Chemical Industrial Products Inc. and Subsidiaries
Consolidated Statements of Income
Years Ended March 31, 2010 and 2009

	USD '000		INR in crores	
	2010	2009	2010	2009
Net revenues	\$ 390,298	\$ 415,248	1,851	1,911
Cost of revenues	270,408	274,551	1,282	1,263
Selling, general and administrative expense	21,298	22,186	101	102
Operating profit	98,592	118,511	468	546
Interest expense, net	20,167	8,181	96	38
Other income, net	(86)	(251)	-	(1)
Income before tax provision	78,511	110,581	372	509
Provision for income taxes	6,931	25,721	33	118
Net income	71,580	84,860	339	391
Net income attributable to noncontrolling interest	31,724	35,427	150	163
Net income attributable to General Chemical Industrial Products, Inc. and Subsidiaries	<u>\$ 39,856</u>	<u>\$ 49,433</u>	<u>189</u>	<u>228</u>

General Chemical Industrial Products Inc. and Subsidiaries

Consolidated Balance Sheets

March 31, 2010 and 2009

<i>(in thousands and crores, except share data)</i>	USD '000		INR in crores	
	2010	2009	2010	2009
Assets				
Current assets				
Cash and cash equivalents	\$ 48,813	\$ 35,910	219	182
Receivables (net of allowance for doubtful accounts of \$200)	68,009	61,386	305	311
Inventories	7,501	16,498	34	84
Prepaid royalties and other current assets	14,143	14,271	64	72
Total current assets	138,466	128,065	622	649
Property, plant, and equipment—net	109,156	106,925	490	542
Goodwill	122,658	122,658	551	622
Intangible assets—net	4,139	4,567	19	23
Other assets	20,474	21,663	92	110
Total assets	<u>\$ 394,893</u>	<u>\$ 383,878</u>	<u>1,774</u>	<u>1,946</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 25,609	\$ 16,314	115	83
Current portion of long-term debt	37,841	31,875	170	162
Accrued liabilities	28,423	33,957	128	172
Total current liabilities	91,873	82,146	413	417
Other liabilities	101,803	90,540	457	459
Net investment in deconsolidated subsidiary	16,430	16,430	74	83
Long-term debt	212,633	260,625	955	1,322
Total liabilities	<u>422,739</u>	<u>449,741</u>	<u>1,899</u>	<u>2,281</u>
Commitments and contingencies (Note 14)				
Shareholder's deficit				
General Chemical Industrial Products, Inc. shareholder's deficit:				
Common stock, \$0.01 par value; 1,000 shares authorized				
100 shares issued and outstanding at				
March 31, 2010 and 2009	-	-	-	-
Paid-in capital	228,704	228,186	1,027	1,157
Accumulated other comprehensive loss	(24,082)	(24,033)	(108)	(122)
Accumulated deficit	(261,620)	(298,272)	(1,175)	(1,513)
Total General Chemical Industrial Products, Inc. shareholder's deficit	(56,998)	(94,119)	(256)	(478)
Noncontrolling interest	29,152	28,256	131	143
Total shareholder's deficit	<u>(27,846)</u>	<u>(65,863)</u>	<u>(125)</u>	<u>(335)</u>
Total liabilities and shareholder's deficit	<u>\$ 394,893</u>	<u>\$ 383,878</u>	<u>1,774</u>	<u>1,946</u>

General Chemical Industrial Products Inc. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended March 31, 2010 and 2009

	USD '000		INR in crores	
	2010	2009	2010	2009
Cash flows from operating activities				
Net income	\$ 71,580	\$ 84,860	339	391
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	15,449	15,080	73	69
Amortization of intangible assets	428	428	2	2
Amortization of financing fees	4,055	1,521	19	7
Deferred tax provision	(3,055)	7,593	(14)	35
Accretion of asset retirement obligation	789	281	4	1
Gain on sale of assets	(7)	-	-	-
Changes in assets and liabilities				
(Increase) decrease in receivables	(6,623)	9,226	(31)	42
Decrease (increase) in inventories	8,997	(4,283)	43	(20)
Increase (decrease) in accounts payable	9,053	(15,566)	43	(72)
(Decrease) increase in accrued liabilities	(6,331)	16,786	(30)	77
Increase (decrease) in other liabilities and assets, net	1,656	(20,626)	8	(95)
Net cash provided by operating activities	<u>95,991</u>	<u>95,300</u>	<u>456</u>	<u>437</u>
Cash flows used in investing activities				
Capital expenditures	(11,455)	(7,896)	(54)	(36)
Proceeds from sale of property, plant and equipment	50	-	-	-
Net cash used in investing activities	<u>(11,405)</u>	<u>(7,896)</u>	<u>(54)</u>	<u>(36)</u>
Cash flows used in financing activities				
Proceeds from long-term debt	-	300,000	-	1,380
Repayment of debt and capital lease obligations	(42,047)	(22,501)	(199)	(104)
Financing fees paid	(75)	(15,679)	-	(72)
Dividends	-	(310,109)	-	(1,427)
Cash distributions to noncontrolling interest	(29,755)	(11,595)	(141)	(53)
Net cash used in financing activities	<u>(71,877)</u>	<u>(59,884)</u>	<u>(340)</u>	<u>(276)</u>
Effect of exchange rate changes on cash	194	31	(25)	19
Increase in cash and cash equivalents	12,903	27,551	37	144
Cash and cash equivalents				
Beginning of year	35,910	8,359	182	38
End of year	<u>\$ 48,813</u>	<u>\$ 35,910</u>	<u>219</u>	<u>182</u>
Supplemental information				
Cash paid for income taxes	\$ 9,855	\$ 5,501	47	25
Cash paid for interest	16,867	4,944	80	23
Non-cash investing activities				
Capital lease obligation incurred to acquire property and equipment	82	103	-	-

General Chemical Industrial Products Inc. and Subsidiaries

Consolidated Statements of Changes in Shareholder's Deficit

Years Ended March 31, 2010 and 2009

<i>(in thousands, except share data)</i>	Shares	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Loss	Accum- ulated Deficit	Non- controlling Interest	Total	Compre- hensive Income
Balance—April 1, 2008	100	\$ -	\$ 210,164	\$ (4,575)	\$ (37,596)	\$ 10,179	\$ 178,172	
Net income		-	-	-	49,433	35,427	84,860	\$ 84,860
Tax benefit from exercise of stock options		-	18,022	-	-	-	18,022	-
Distribution to noncontrolling shareholder		-	-	-	-	(11,595)	(11,595)	-
Foreign currency translation		-	-	31	-	-	31	31
Unrealized gain (loss) on cash flow hedges, net of tax of \$2,034		-	-	(3,701)	-	(1,749)	(5,450)	(5,450)
Pension liability, net of tax of \$7,523		-	-	(15,788)	-	(4,006)	(19,794)	(19,794)
Dividends		-	-	-	(310,109)	-	(310,109)	-
Comprehensive income								<u>\$ 59,647</u>
Balance—March 31, 2009	100	-	228,186	(24,033)	(298,272)	28,256	(65,863)	
Net income		-	-	-	39,856	31,724	71,580	\$ 71,580
Tax benefit from exercise of stock options		-	518	-	-	-	518	-
Distribution to noncontrolling shareholder		-	-	-	-	(31,505)	(31,505)	-
Foreign currency translation		-	-	194	-	-	194	194
Impact of adopting ASC 740		-	-	-	(3,204)	-	(3,204)	-
Unrealized gain (loss) on cash flow hedges, net of tax of \$(1,663)		-	-	3,005	-	1,749	4,754	4,754
Pension liability, net of tax of \$1,681		-	-	(3,248)	-	(1,072)	(4,320)	(4,320)
Comprehensive income								<u>\$ 72,208</u>
Balance—March 31, 2010	<u>100</u>	<u>\$ -</u>	<u>\$ 228,704</u>	<u>\$ (24,082)</u>	<u>\$ (261,620)</u>	<u>\$ 29,152</u>	<u>\$ (27,846)</u>	

General Chemical Industrial Products Inc. and Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2010 and 2009

(dollars in thousands, except share data)

1. Basis of Presentation

Description of Business

General Chemical Industrial Products Inc. and subsidiaries ("GCIP" or the "Company") is a leading North American manufacturer and supplier of soda ash to a broad range of industrial and municipal customers. The primary end markets for soda ash include glass production, sodium-based chemicals, powdered detergents, water treatment, and other industrial end uses.

On March 27, 2008 GCIP was acquired by a subsidiary of Tata Chemicals Limited ("TCL"). As a result of the acquisition and plan of merger by TCL, the Company spun off the assets of Kings Mountain Mining, LLC, Zemex Attapulgitite, LLC and Suzorite Mica Products, Inc. (collectively "Zemex Businesses") to existing GCIP shareholders. Subsequent to the acquisition agreement and plan of merger with TCL, GCIP became a wholly-owned subsidiary of Valley Holdings, Inc. ("VHI"), a United States subsidiary of TCL. The financial statements of GCIP are prepared on a historical cost basis and do not reflect the pushdown of the acquisition of GCIP by TCL.

For the purposes of these financial statements, fiscal 2010 is defined as the year ended March 31, 2010 and fiscal 2009 is defined as the year ended March 31, 2009.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include useful lives of assets, realization of deferred tax assets, valuation of goodwill, assumptions related to pension and postretirement obligations and the estimated asset retirement obligations. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The fair values of cash and cash equivalents, receivables, and accounts payable approximate their carrying values due to the short-term nature of the instruments. The carrying value of the Company's debt approximates fair value since its debt instruments are at a floating rate and management believes this reflects the terms and conditions that would be available in the market at March 31, 2010.

Basis of Consolidation

The accompanying consolidated financial statements reflect the results of operations and financial position of the Company, including wholly-owned subsidiaries and General Chemical (Soda Ash) Partners Holdings and Subsidiaries ("GCSAP Holdings") of which the Company owns 75%. General Chemical Canada Ltd. ("GCCL") is not included and has been deconsolidated due to loss of control (See Note 10). Intercompany balances and transactions are eliminated in consolidation.

Income Taxes

Income taxes are recognized for the amount of taxes payable for the current year and deferred tax assets and liabilities for the future tax consequence of events that have been recognized differently

in the financial statements than for tax purposes. Deferred tax assets and liabilities are established using statutory tax rates and are adjusted for tax rate changes. Effective April 1, 2009, the Company adopted Accounting Codification Standard (“ASC”) 740-10-25, *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB No 109*. This interpretation clarifies the accounting for uncertainty in income tax recognized in an entity’s financial statements. ASC 740-10-25 requires companies to determine whether it is “more likely than not” that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. For those tax positions where it is “not more likely than not” that a tax benefit will be sustained, no tax benefit is recognized. Where applicable, associated interest and penalties are also recorded.

Inventory

Inventory is stated at the lower of cost or market, with cost being determined using the weighted-average cost method. Production inventory costs include material, labor, and factory overhead. The Company provides inventory allowances based on excess and obsolete inventories determined primarily by future demand forecasts.

Property, Plant and Equipment

Certain property, plant and equipment are carried at cost and are depreciated using the straight-line method, using estimated lives which range from 2 to 30 years. Mines, machinery and equipment are depreciated using the units-of-production method. Approximately 80% of machinery and equipment and 100% of mines and quarries are depreciated using the units-of-production method. Maintenance and repair costs are charged to expense as incurred. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is reported as income or expense, respectively.

Impairment of Long-Lived Assets

Management periodically evaluates the need to recognize impairment losses relating to long-lived assets in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 360, *Property, Plant and Equipment*. Long-lived assets are evaluated for recoverability whenever events or changes in circumstances indicate that an asset may have been impaired. In evaluating an asset for recoverability, we estimate the future undiscounted cash flows expected to result from the use of the asset and eventual disposition. If the sum of the expected future cash flows is less than the carrying amount of the asset, management would write the asset down to fair value and record impairment charges, accordingly. The estimation of fair value is measured by discounting expected future cash flows. The recoverability assessment related to long-lived assets requires judgments and estimates of future revenues, gross margin rates and operating expenses. The Company bases these estimates upon its past and expected future performance. The Company believes its estimates are appropriate in light of current market conditions. However, future impairment charges could be required for certain long-lived assets if the Company does not achieve its current revenue or cash flow projections.

Goodwill and Intangible Assets

Goodwill is not amortized into results of operations, but instead is reviewed for impairment and written down and charged to results of operations only in the periods in which the recorded value of goodwill is more than its fair value. The Company records impairment losses on goodwill and other intangible assets based upon an annual review of the value of the assets, or when events and circumstances indicate that the asset might be impaired and when the recorded value of the asset is more than its fair value. The Company’s estimates of fair value are based upon its current operating forecast, which the Company believes to be reasonable. Significant assumptions that underlie the fair value estimates include future growth rates and weighted average cost of capital rates. However, different assumptions regarding the current operating forecast could materially affect the estimate. Intangible assets are attributable to long-term customer relationships and patents and are being amortized on a straight-line basis over periods ranging from 12.75 to 15 years, which estimates the economic useful lives of these assets.

Deferred Financing Costs

Deferred financing costs associated with debt issues are being amortized over the terms of the related debt using the effective interest method.

Asset Retirement Obligations

The Company provides for the expected costs to be incurred for the eventual reclamation of properties pursuant to local law. Reclamation costs are being accrued in accordance with the ASC 410, *Asset Retirement and Environmental Obligations*.

Royalties

Trona reserves are mined pursuant to lease arrangements with various land owners. Such arrangements generally provide for royalty payments based on the selling price of soda ash. Royalties are included as a component of cost of revenues.

Cash and Cash Equivalents

The Company's cash and cash equivalents include cash and short-term highly liquid investments with an original maturity of three months or less.

Derivative Financial Instruments

Derivative financial instruments are used to mitigate natural gas purchase price exposure and to mitigate exposure to floating interest rates on the term loan. All hedging instruments are formally documented; this documentation includes the relationship between the hedging instrument and hedged item, risk, management's objective and strategy for undertaking the hedge transaction, as well as cash flow designation. Derivative financial instruments are recorded on the balance sheet at fair value. The effective portion of changes in the fair value of the cash flow hedge is recorded in accumulated other comprehensive income or loss and reclassified into earnings in the same period or periods during which the underlying hedged item affects earnings. Any ineffective portion of fair value would be included in current period earnings. The Company does not hold or issue derivative instruments for trading purposes.

Foreign Currency Translation

Cumulative translation adjustments, arising primarily from consolidating the assets and liabilities of the Company's foreign operations at current rates of exchange as of the respective balance sheet date, are applied directly to stockholders' equity and are included as part of accumulated other comprehensive income or loss. Income and expense items for the Company's foreign operations are translated using monthly average exchange rates. Upon complete sale or liquidation of an investment, cumulative translation adjustments are removed from equity and reported as part of the gain or loss on the sale or liquidation.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectability is reasonably assured. Revenue is recognized from product sales when title and risk of loss has passed to the customer consistent with the related shipping terms, generally at the time products are shipped. Included in net revenues and cost of sales are related shipping and handling fees and costs.

Employee Medical Benefits

The Company is self-insured for expenses relating to employee medical benefits. All employees have an option to participate in the Company's self-funded comprehensive medical care benefits program. The cost of medical care is paid out of employee and employer contributions. The Company has purchased stop-loss coverage in order to limit its exposure to any significant individual medical claims. Self-insured medical costs are accrued based upon actuarial assumptions and the Company's historical experience.

Environmental Matters

The Company is subject to extensive federal, state, and local environmental laws and regulations. These laws, which are constantly changing, regulate or propose to regulate the discharge of materials into the environment and may require the Company to remove or mitigate the environmental effects of the disposal or release of such substances. Environmental expenditures, which can include fines, penalties and certain corrective actions, are expensed or capitalized depending on their future economic benefit. Expenditures that relate to an existing condition caused by past operations and that have no future economic benefits are expensed. Liabilities for expenditures of a noncapital nature are recorded when environmental assessment and/or remediation is probable, and the costs can be reasonably estimated.

Recent Accounting Pronouncements

On July 1, 2009, the FASB issued the FASB ASC (the "Codification"). The Codification is effective for interim and annual periods ending after September 15, 2009 and is the source, along with guidance issued by the Securities and Exchange Commission, of authoritative U.S. accounting and reporting standards for nongovernmental entities. The Codification is a major restructuring of accounting and reporting standards designed to simplify user access to all authoritative US GAAP by providing the authoritative literature in a topically organized structure.

In February 2008, the FASB issued ASC 820, *Fair Value Measurements and Disclosures*, (formerly FASB Statement No. 157 *Fair Value*) an accounting standard update that, delayed the effective date of fair value measurements accounting until the beginning of the first quarter of fiscal 2010 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), including goodwill and other non-amortizable intangible assets. The provisions of this update will be applied at such time a fair value measurement of a non-financial asset or non-financial liability is required and may result in a fair value that is materially different. The Company adopted this accounting standard update effective April 1, 2008. The adoption of this update had no impact on the Company's consolidated financial statements.

In December 2007, the FASB issued ASC 810-10-65-1, *Consolidation* (formerly FASB statement No. 160, *Non-controlling Interests in Consolidated Financial Statements, an amendment of ARB No. 51*), which establishes accounting and reporting standards for the noncontrolling interest in a subsidiary (formerly known as minority interest) and for the deconsolidation of a subsidiary. This guidance clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. This guidance also requires presentation on the face of the consolidated statement of income of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest, resulting in an increase to consolidated net income. Historically, net income attributable to noncontrolling interests was presented as minority interest expense. This guidance requires expanded disclosures in the consolidated financial statements that clearly identify and distinguish between the interests of the parent's owners and the interests of the noncontrolling owners of a subsidiary. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company applied this guidance prospectively as of April 1, 2009, except for the presentation and disclosure requirements, which were applied retrospectively for all periods presented.

In March 2008, the FASB issued ASC 815, *Derivatives and Hedging* (formerly FASB Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133*). The new disclosure requirements will provide users of financial statements with an enhanced understanding of (1) how and why an entity uses derivative instruments; (2) how derivative instruments and related hedged items are accounted for; and (3) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. This guidance requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of

and gains and losses on derivative instruments and disclosures about credit-risk-related contingent features in derivative instruments. This statement applies to all entities and all derivative instruments. This guidance is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Company adopted this guidance on April 1, 2009 (see Note 11).

In May 2009, the FASB issued ASC 855-10, *Subsequent Events* (formerly FASB Statement No. 165, *Subsequent Events*). The guidance establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. This guidance is based on the same principles as currently exist in auditing standards and was issued by the FASB to include accounting guidance that originated as auditing standards into the body of authoritative literature issued by the FASB. The standard addresses the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. The Company adopted this guidance on April 1, 2009. For the year ended March 31, 2010, the Company evaluated subsequent events through June 4, 2010, which was the date the accompanying financial statements were available to be issued..

3. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants' use in pricing assets or liabilities. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Company makes certain assumptions it believes that market participants would use in pricing assets or liabilities, including assumptions about risk, and the risks inherent in the inputs to valuation techniques. Credit risk of the Company and its counterparties is incorporated in the valuation of assets and liabilities through the use of credit reserves, the impact of which is immaterial for the years ended March 31, 2010 and 2009. The Company believes it uses valuation techniques that maximize the use of observable market-based inputs and minimize the use of unobservable inputs.

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. These tiers include: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3, defined as unobservable inputs that are not corroborated by market data.

The Company's financial assets and liabilities recorded at fair value on a recurring basis include derivative instruments. The Company's derivative liabilities consist of natural gas futures and interest rate swaps. The notional amounts of the interest rate swaps do not qualify risk or represent assets or liabilities of the Company, but are used in the determination of the cash settlement under the agreements. The counterparties to these swaps are major financial institutions. The Company does not anticipate nonperformance by these counterparties.

The following table presents the fair values for those assets and liabilities measured on a recurring basis as of March 31, 2010:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
Assets:				
Cash and cash equivalents	<u>\$ 48,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,813</u>
Liabilities:				
Interest rate swaps	\$ -	\$ 1,063	\$ -	\$ 1,063
Natural gas futures	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 1,063</u>	<u>\$ -</u>	<u>\$ 1,063</u>

The following table presents the fair values for those assets and liabilities measured on a recurring basis as of March 31, 2009:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
Assets:				
Cash and cash equivalents	<u>\$ 35,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,910</u>
Liabilities:				
Interest rate swaps	\$ -	\$ 490	\$ -	\$ 490
Natural gas futures	-	6,994	-	6,994
Total liabilities	<u>\$ -</u>	<u>\$ 7,484</u>	<u>\$ -</u>	<u>\$ 7,484</u>

Cash and cash equivalents

Cash equivalents include investments with maturities of three months or less when purchased. The cash equivalents shown in the fair value table are comprised of investments in money market funds. The fair values of the shares of these funds are based on observable market prices and, therefore, have been categorized as Level 1 in the fair value hierarchy.

Interest rate swaps / Natural gas futures

The inputs used in valuing interest rate swaps and natural gas futures are other than quoted prices in active markets that are either directly or indirectly observable over the terms of the instruments the Company holds, and accordingly, the Company classifies these net derivative liabilities as Level 2 in hierarchy.

4. Intangible Assets

A summary of intangible assets subject to amortization as of March 31, 2010 and 2009 is as follows:

	2010	2009	Life
Intangible assets			
Customer related	\$ 6,390	\$ 6,390	15 years
Patents	24	24	12.75 years
	<u>6,414</u>	<u>6,414</u>	
Accumulated amortization	2,275	1,847	
Intangible assets - net	<u>\$ 4,139</u>	<u>\$ 4,567</u>	

For the years ended March 31, 2010 and 2009, the Company recognized \$428 of amortization expense. The estimated amortization expense for each of the next five years is \$428.

The Company has \$122,658 in goodwill at March 31, 2010 and 2009 that is not subject to amortization. The Company evaluates this goodwill for impairment on an annual basis. There was no impairment of goodwill for the years ended March 31, 2010 or 2009, therefore, there was no change in the balance of goodwill for the year.

5. Property, Plant and Equipment

Property, plant and equipment as of March 31, 2010 and 2009 are comprised of the following:

	2010	2009
Land and improvements	\$ 19,069	\$ 7,729
Buildings and leasehold improvements	25,936	25,902
Machinery and equipment	133,354	127,267
Construction-in-progress	1,714	1,797
Mines and quarries	<u>8,931</u>	<u>8,931</u>
	189,004	171,626
Less: Accumulated depreciation and amortization	<u>79,848</u>	<u>64,701</u>
	<u>\$ 109,156</u>	<u>\$ 106,925</u>

For the years ended March 31, 2010 and 2009, the Company recognized \$15,449 and \$15,080 of depreciation expense, respectively.

Subsequent to the issuance of the Company's March 31, 2009 consolidated financial statements, the Company's management determined that \$6,415 in accumulated depreciation had been incorrectly classified. Accordingly, the March 31, 2009 comparative balances in the table above have been restated to increase accumulated depreciation by \$6,415, and increase machinery and equipment and mines and quarries by \$6,593 and \$60, respectively and decrease construction-in progress by \$238.

There was no impact on the property balances as shown in the accompanying March 31, 2009 consolidated balance sheet nor was there any impact on depreciation expense as shown in the accompanying March 31, 2009 consolidated statement of income.

6. Accumulated Other Comprehensive Loss

The following table sets forth the components of accumulated other comprehensive loss as of March 31, 2010 and 2009:

	2010	2009
Pension liability, net of tax	\$ (23,307)	\$ (20,059)
Unrealized gain (loss) on cash flow hedges, net of tax	(696)	(3,701)
Cumulative foreign currency translation adjustment	<u>(79)</u>	<u>(273)</u>
Total accumulated other comprehensive loss	<u>\$ (24,082)</u>	<u>\$ (24,033)</u>

7. Additional Financial Information

The summaries of selected balance sheet items as of March 31, 2010 and 2009 are as follows:

	2010	2009
Receivables		
Trade	\$ 61,148	\$ 54,714
Other	7,061	6,872
Allowance for doubtful accounts	(200)	(200)
	<u>\$ 68,009</u>	<u>\$ 61,386</u>
Inventories		
Raw materials	\$ 3,401	\$ 10,418
Work-in-process	100	100
Finished products	4,000	5,980
	<u>\$ 7,501</u>	<u>\$ 16,498</u>
Accrued liabilities		
Wages, salaries, and benefits	\$ 6,110	\$ 6,944
Income taxes payable to related party	4,232	4,620
Sales, use and excise taxes	7,779	7,827
Unrealized loss for hedges	1,063	7,484
Accrued interest	1,410	2,039
Other	7,798	5,027
Current portion of capital lease obligation	31	16
	<u>\$ 28,423</u>	<u>\$ 33,957</u>
Other liabilities		
Accrued pension obligations	\$ 45,626	\$ 38,938
Accrued other post-retirement benefits	31,371	30,162
Accrued land reclamation and pond cleaning costs	16,162	15,373
Liability for uncertain tax positions	3,265	-
Accrued other	5,254	5,981
Capital lease obligation, less current portion	125	86
	<u>\$ 101,803</u>	<u>\$ 90,540</u>

8. Long-term debt

On November 17, 2008, the Company entered into a credit agreement with several lenders led by Standard Chartered Bank ("SCB"), as administrative agent. The credit agreement provides for a \$300,000 term loan due on November 29, 2013. The borrowing under this facility bears interest at London Interbank Offered Rate ("LIBOR") plus an applicable margin. The applicable margin is 3.75% and 4.55% as of March 31, 2010 and 2009, respectively. The applicable margin is determined by a net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio for each fiscal quarter as follows:

<u>Net Debt to EBITDA Ratio</u>	<u>Applicable Margin</u>
Greater than 3.0 to 1.0	4.55%
Greater than 2.0 to 1.0 but less than 3.0	3.75%
Greater than 1.0 to 1.0 but less than 2.0	3.00%
Equal to or less than 1.0 to 1.0	2.25%

The term loan is secured by a first-priority interest in the Company's 75% interest in GCSAP, the Company's assets, and equity interest in foreign subsidiaries. The Company's term loan is subject to certain covenants including, but not limited to, certain provisions that restrict the Company's ability to make capital expenditures and require the Company to maintain a certain level of net worth. Additionally, the agreement contains certain financial covenants including net debt to EBITDA ratio, EBITDA to consolidated net cash interest expense ratio and debt service coverage ratio. The net proceeds of the loan were distributed to VHI, to pay-off \$350,000 of debt at VHI. As of March 31, 2010 and 2009, the debt outstanding under this agreement was \$250,474 and \$292,500, respectively.

The aggregate maturities of long-term debt for each of the five years subsequent to March 31, 2010, are as follows:

Years ending March 31,	
2011	\$ 37,841
2012	45,049
2013	70,277
2014	97,307
Total	<u>\$ 250,474</u>

9. Income Taxes

Income before tax provision is as follows:

	2010	2009
United States	\$ 78,511	\$ 100,556
Foreign	-	25
Total	<u>\$ 78,511</u>	<u>\$ 100,581</u>

The components of the income tax provision are as follows:

	2010	2009
United States		
Current	\$ 9,986	\$ 18,121
Deferred	<u>(3,055)</u>	<u>7,593</u>
	<u>6,931</u>	<u>25,714</u>
Foreign		
Current	-	7
Deferred	<u>-</u>	<u>-</u>
	<u>-</u>	<u>7</u>
Total	<u>\$ 6,931</u>	<u>\$ 25,721</u>

A summary of the components of deferred tax assets and liabilities is as follows:

	2010	2009
Postretirement benefits	\$ 3,907	\$ 3,226
Pensions	15,075	13,695
Alternative Minimum Tax ("AMT")	8,848	9,689
Hedging	371	2,034
Nondeductible accruals	377	475
Capital loss carryforward	73	74
Other	<u>3</u>	<u>5</u>
Deferred tax assets	28,654	29,198
Valuation allowance	<u>8,938</u>	<u>9,779</u>
Net deferred tax assets	<u>19,716</u>	<u>19,419</u>
Property, plant and equipment	8,808	9,820
Partnership basis cancelation of debt loss	5,302	5,381
Intangibles	1,427	1,578
Partnership basis	<u>714</u>	<u>2,310</u>
Deferred tax liabilities	<u>16,251</u>	<u>19,089</u>
Net deferred tax assets	<u>\$ 3,465</u>	<u>\$ 330</u>

Of the net deferred tax assets, \$226 and \$319 is included in prepaid royalties and other current assets and \$3,239 and \$11 is included in other assets as of March 31, 2010 and 2009, respectively.

For the years ended March 31, 2010 and 2009, the Company's effective income tax rate is lower than the statutory Federal income tax rate principally due to depletion and other permanent differences, partially offset by an increase in the valuation allowance.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not some or all of tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Because of the limitation on percentage depletion under AMT, the Company expects an AMT liability for the foreseeable future. Thus, while such AMT credits do not expire, it is unlikely they will be utilized in the future as management estimates the Company will not generate sufficient regular taxable income after the deduction for depletion. As of March 31, 2010 and 2009, the Company had \$8,848 and \$9,689, respectively, of valuation allowance that relates to AMT credits. The (decrease) or increase in the valuation allowance of \$(841) and \$7,938, for the years ended March 31, 2010 and 2009, respectively, was primarily due to AMT credits.

The Company, as required by federal tax law, files a consolidated income tax return with its parent VHI. Additionally, as required by state and local tax law, the Company files various state and local tax returns in these jurisdictions in a consolidated or combined basis with VHI. Other state and local income tax returns are filed on a stand alone basis.

The federal tax provision is computed under the assumption that the Company files federal and state and local income tax returns on a stand-alone basis. As of March 31, 2010 and 2009, the federal income taxes payable of \$4,360 and \$4,563, respectively, and state and local taxes (receivable) payable of \$(128) and \$57, respectively, are due to VHI and are included in accrued liabilities in the balance sheets.

On April 1, 2009 and 2008, the Company had net operating loss carryforwards for income tax purposes of \$45,320 and \$65,927, respectively, which begin to expire at varying dates through 2028. The timing and manner in which the Company may utilize the net operating loss carryforwards in subsequent tax years will be limited to the Company's ability to generate future taxable income and potentially, by the application of the ownership change rules under Section 382 of the Internal Revenue Code. The Company expects to utilize \$36,338 and \$42,660 of federal net operating loss carryforwards for the years ended March 31, 2010 and 2009, respectively. While Section 382 limitations apply to the Company, the limitations alone are not expected to result in the expiration of tax benefits.

On April 1, 2009, new authoritative guidance issued by the FASB for the accounting and reporting of uncertain tax positions was adopted by the Company. As required by the new provisions, the cumulative effect of the adoption of these provisions was reported as an adjustment to the Company's retained earnings balance as of April 1, 2009. The cumulative effect of the adoption of this new guidance was a \$3,204 reduction of retained earnings.

The roll forward of unrecognized tax benefits are summarized in the table below:

Balance at April 1, 2009	\$ 3,204
Additions for tax positions of the current year	-
Additions for tax positions of prior years	61
Reductions for tax positions of prior years	-
Settlement with tax authorities	-
Expiration of the statute of limitations	-
Balance at March 31, 2010	<u>\$ 3,265</u>

The Company had \$61 and \$87 of interest recorded in its reserve at March 31, 2010 and April 1, 2009, respectively. All interest related to post April 1, 2009 periods were recorded through the Company's current year tax expense. Management believes that no material changes will occur in the next twelve month period.

The Company files income tax returns in the US federal jurisdictions, various state jurisdictions (including, but not limited to, California, Illinois, New Jersey, New York, Ohio and Oregon) and various foreign jurisdictions. With few exceptions, the Company is subject to audit by taxing authorities for the calendar years ending December 31, 2006 through the current fiscal year.

10. GCCL Liquidation and Deconsolidation

On January 19, 2005, the Company's former Canadian subsidiary applied for relief under the Canada's Companies' Creditors Arrangement Act ("CCAA") and, on that date, the court granted GCCL's request for CCAA protection. During the pendency of the action, GCCL was unable to sell its business as a going-concern to any prospective purchaser and had no prospect for restructuring. On November 18, 2005, GCCL was assigned into bankruptcy in accordance with Canada's Bankruptcy and Insolvency Act. As of March 31, 2010, GCCL's receiver was still in the process of consummating various transactions for the sale of GCCL's assets.

As a result of the CCAA filing, GCIP had a loss of control over the financial and operating decisions of GCCL that were exercised by the court-appointed monitor. Therefore, GCCL was deconsolidated as of January 19, 2005, and the investment was accounted for under the cost method. The Company has an overall negative net investment in GCCL due to accumulated losses and has offset the net intercompany receivable balance against the investment account. The Company is carrying its net negative investment in the amount of \$16,430 on its balance sheet at March 31, 2010 and 2009, until relieved by the Canadian bankruptcy court. The Company expects that GCCL's asset liquidation process will not be completed in 2011. The Company does not believe that it will be required to fund this negative investment balance.

During the year ended March 31, 2009, the Company made payments of \$14,668 related to the settlement of an environmental liability and related insurance premiums for an environmental liability located in Ontario, Canada.

11. Commodity and Interest Rate Swap Hedges

The Company enters into commodity futures contracts related to forecasted natural gas requirements that are used in the manufacturing process of its products. The objectives of entering into the commodity futures contracts are to limit the effects of fluctuations in the future market price paid for natural gas and the related volatility in cash flows. The maturities of the contracts are timed to coincide with the expected usage requirement over that period.

For the years ended March 31, 2010 and 2009, the Company reported an unrealized gain and an unrealized loss of \$3,385 and \$(3,385), respectively, net of tax in accumulated other comprehensive income relating to the change in the fair value of natural gas derivatives designated as cash flow commodity hedges. There were no outstanding natural gas hedges as of March 31, 2010.

The Company enters into interest rate swaps to manage its exposure to interest rate variations related to its borrowings. The objective and strategy is to reduce its exposure to variability in expected future cash outflows (forecasted interest payments) attributable to changes in 3-month LIBOR rate, the designated benchmark interest rate being hedged, relating to its LIBOR-indexed floating-rate debt. The Company is meeting this objective by purchasing interest rate swaps, which protect the Company from variability in the hedged cash flows attributable to changes in LIBOR floating-rate debt (See Note 8).

At March 31, 2010, the Company has interest rate swaps that began on February 19, 2009 and end on various dates from May 23, 2011 through November 29, 2013 as follows:

Maturity Date	Interest Rate	Notional Amount
5/23/2011	1.52%	25,000
5/23/2012	1.90%	30,000
5/28/2013	2.10%	50,000
11/29/2013	2.10%	<u>33,750</u>
Total		<u>\$ 138,750</u>

For the years ended March 31, 2010 and 2009, the Company reported an unrealized loss of \$696 and \$316, respectively, net of tax in accumulated other comprehensive income relating to the change in the fair value of interest rate swap derivatives designated as cash flow interest rate swap hedges.

12. Pension Plans and Other Postretirement Benefits

The Company maintains several defined benefit pension plans covering substantially all employees. A participating employee's annual postretirement pension benefit is determined by the employee's credited service and, in most plans, final average annual earnings with the Company. Vesting requirements are two years. The Company's funding policy is to annually contribute the statutorily required minimum amount as actuarially determined. The Company also maintains several plans providing nonpension postretirement benefits covering substantially all hourly and certain salaried employees. The Company funds these benefits on a pay-as-you-go basis. The accumulated benefit obligation for all defined benefit plans was \$148,216 and \$119,129 as of March 31, 2010 and 2009, respectively.

The Company recorded a minimum pension liability of \$6,001 and \$27,317 with corresponding decreases in noncontrolling interest of \$1,072 and \$4,006 and equity of \$3,248 and \$15,788, net of tax of \$1,681 and \$7,523 on March 31, 2010 and 2009, respectively. In addition, based on the value of the assets in the Company's defined benefit pension plans, the Company will be required to fund approximately \$4,144 to the plans for the year ending March 31, 2011.

	Pension Benefits		Other Postretirement Benefits	
	2010	2009	2010	2009
Components of net periodic benefit cost				
Service cost	\$ 2,280	\$ 2,729	\$ 340	\$ 289
Interest cost	8,871	8,227	2,212	1,704
Expected return on plan assets	(9,614)	(9,422)	-	-
Amortization of unrecognized:				
Prior service cost	64		562	
Actuarial loss	5	49	-	-
Net periodic benefit cost	<u>\$ 1,606</u>	<u>\$ 1,583</u>	<u>\$ 3,114</u>	<u>\$ 1,993</u>
Change in benefit obligation				
Benefit obligation - beginning of year	\$ 124,405	\$ 133,827	\$ 32,194	\$ 28,312
Service cost	2,280	2,729	340	289
Interest cost	8,871	8,227	2,212	1,704
Plan amendments	-	717	-	4,763
Actuarial (gain)/loss	26,357	(14,148)	305	(1,452)
Benefits paid	(7,380)	(6,947)	(1,480)	(1,422)
Benefit obligation - end of year	<u>\$ 154,533</u>	<u>\$ 124,405</u>	<u>\$ 33,571</u>	<u>\$ 32,194</u>
Change in plan assets				
Fair value of assets - beginning of year	\$ 85,463	\$ 108,010	\$ -	\$ -
Actual return on plan assets	29,645	(28,058)	-	-
Employer contributions	1,167	12,458	1,480	1,422
Benefits paid	(7,380)	(6,947)	(1,480)	(1,422)
Fair value of assets - end of year	<u>\$ 108,895</u>	<u>\$ 85,463</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of funded status				
Funded status	<u>\$ (45,638)</u>	<u>\$ (38,942)</u>	<u>\$ (33,571)</u>	<u>\$ (32,194)</u>
Net amount accrued	<u>\$ (45,638)</u>	<u>\$ (38,942)</u>	<u>\$ (33,571)</u>	<u>\$ (32,194)</u>

The estimated net actuarial (gain)/loss, prior service cost/(credit), and transition (asset)/obligation for the pension plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during the 2011 fiscal year are \$0, \$64 and \$0, respectively.

The estimated net actuarial (gain)/loss, prior service cost/(credit), and transition (asset)/obligation for the postretirement plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during the 2011 fiscal year are \$0, \$562 and \$0, respectively.

The amounts recognized in accumulated other comprehensive income as of March 31, 2010 and 2009 are summarized below:

	Pension Benefits		Other Postretirement Benefits	
	2010	2009	2010	2009
	Prior service cost	\$ 652	\$ 717	\$ 4,201
Net actuarial loss/(gain)	39,331	33,009	(392)	(698)
Total	<u>\$ 39,983</u>	<u>\$ 33,726</u>	<u>\$ 3,809</u>	<u>\$ 4,065</u>

The amounts recognized in other comprehensive income (loss) during the years ended March 31, 2010 and 2009 are summarized below:

	Pension Benefits		Other Postretirement Benefits	
	2010	2009	2010	2009
Net actuarial (gain)/loss	\$ 6,326	\$ 23,333	\$ 305	\$ (1,452)
Prior service (credit)/cost	-	717	(562)	4,763
Reversal of amortization item:				
Net actuarial gain	(5)	(49)	-	-
Prior service credit	(64)	-	-	-
Total recognized in comprehensive income (loss)	<u>\$ 6,257</u>	<u>\$ 24,001</u>	<u>\$ (257)</u>	<u>\$ 3,311</u>

The amounts recognized in the consolidated balance sheets as of March 31, 2010 and 2009 are summarized below:

	Pension Benefits		Other Postretirement Benefits	
	2010	2009	2010	2009
Current liabilities	\$ (12)	\$ (4)	\$ (2,200)	\$ (2,032)
Noncurrent liabilities	(45,626)	(38,938)	(31,371)	(30,162)
Net liabilities at end of year	<u>\$ (45,638)</u>	<u>\$ (38,942)</u>	<u>\$ (33,571)</u>	<u>\$ (32,194)</u>

Assumptions

The weighted-average assumptions used to determine net periodic benefit cost were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2010	2009	2010	2009
Discount rate	7.30 %	6.30 %	7.30 %	6.30 %
Expected long-term return on plan assets	8.00 %	8.00 %	N/A	N/A
Rate of compensation increase	3.5-5.0%	3.50 %	N/A	N/A

The weighted-average assumptions used to determine the benefit obligation were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2010	2009	2010	2009
Discount rate	5.90 %	7.30 %	5.90 %	7.30 %
Expected long-term return on plan assets	8.00 %	8.00 %	N/A	N/A
Rate of compensation increase	4.5-9.0%	3.50 %	N/A	N/A

To determine the expected long-term rate of return on plan assets, the Company considers the current and expected asset allocation, as well as historical and expected returns on each plan asset class.

Assumed health care cost trend rates as of March 31, 2010 and 2009 were as follows:

	2010	2009
Health care cost trend rate assumed for next year	9-11%	10.0 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0 %	5.0 %
Year that the rate reaches the ultimate trend rate	2014-2016	2014

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage point change in assumed health care cost trend rates would have the following annual effects:

	One- Percentage Point Increase	One- Percentage Point Decrease
Effect on total of service and interest cost	\$ 30	\$ (28)
Effect on postretirement benefit obligation	503	(457)

The dates used to measure plan assets and liabilities were March 31, 2010 and 2009 for all plans. Pension plan assets are invested primarily in stocks, bonds, short-term securities and cash equivalents.

Plan Assets

The assets of the Company's defined benefit plans are managed on a commingled basis in a Master Trust. The investment policy and allocation of the assets in the Master Trust were approved by the Company's Investment Committee, which has oversight responsibility for the Company's retirement plans.

The following details the asset categories including target allocations for the pension plan as of March 31, 2010 and 2009:

Asset Category	2010		2009	
	Actual Allocation	Target Allocation	Actual Allocation	Target Allocation
Equity Securities	61%	60%-70%	58%	60%-70%
Debt Securities	37%	30%-40%	37%	30%-40%
Other (cash and short-term)	2%	0%-10%	5%	0%-10%

The pension fund assets are invested in accordance with the statement of Investment Policies and Procedures adopted by the Company, which are reviewed annually. Pension fund assets are invested on a going-concern basis with the primary objective of providing reasonable rates of return consistent with available market opportunities, a quality standard of investment, and moderate levels of risk. The expected rate of return is expected to be 8% over rolling ten-year periods. This expected rate of return is estimated upon an analysis of historical returns with consideration for the current economic environment.

Contributions

The Company expects to contribute \$1,944 to its pension plan and \$2,200 to its other postretirement benefit plan for the year ending March 31, 2011.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Years ending March 31,	Pension Benefits	Other Benefits
2011	\$ 7,998	\$ 2,200
2012	8,409	2,301
2013	8,849	2,426
2014	9,337	2,501
2015	9,878	2,574
2016–2020	57,178	13,387

Fair Values

The fair values of the Company's plan assets as of March 31, 2010, by asset category are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Category:				
Cash and cash equivalents	\$ -	\$ 2,241	\$ -	\$ 2,241
Fixed income securities	-	39,836	-	39,836
Equity securities	-	33,476	-	33,476
Real estate	-	-	4	4
Private equity	-	-	33,338	33,338
Total	\$ -	\$ 75,553	\$ 33,342	\$ 108,895

The following table provides further details of Level 3 fair value measurements:

	<u>Real Estate</u>	<u>Private Equity</u>	<u>Total</u>
Beginning Balance - April 1, 2009	\$ 17	\$ 23,791	\$ 23,808
Total realized/unrealized (losses) gains	(13)	9,685	9,672
Purchases, sales and settlements	-	(138)	(138)
Ending balance - March 31, 2010	<u>\$ 4</u>	<u>\$ 33,338</u>	<u>\$ 33,342</u>

Other Defined Contribution Plans

The Company also sponsors defined contribution retirement savings plans. Participation in one of these plans is available to substantially all represented and non-represented employees. The Company matches employee contributions up to certain predefined limits for non-represented employees based upon eligible compensation and the employee's contribution rate. The Company's contribution to these plans was \$400 and \$478 for the years ended March 31, 2010 and 2009, respectively.

13. Reclamation Liability

The Company provides for the expected costs to be incurred for the eventual reclamation of mining properties pursuant to local law. Reclamation costs are being accrued over the remaining term of GCSAP Holdings partnership. Included in long-term liabilities at March 31, 2010 and 2009 was \$16,162 and \$15,373, respectively, related to these asset retirement obligations. Accretion expense for the years ended March 31, 2010 and 2009 was \$789 and \$281, respectively.

14. Related Party Transactions

Soda Ash Supply Agreement

The Company has soda ash supply agreements with Owens-Illinois Inc. and its affiliates. These agreements set forth the terms and conditions for the Company to supply Owens-Illinois Inc. and its affiliates with soda ash, at established market rates, over the life of the partnership. The agreements which generally run through December 31, 2010, include no specific volume requirements. For the years ended March 31, 2010 and 2009, sales related to these agreements amounted to \$58,628 and 69,398, respectively. As of March 31, 2010 and 2009, amounts due under these agreements totaled \$13,965 and \$14,480, respectively and are included in receivables.

Other

In the ordinary course of business, the Company purchases from and sells materials to a subsidiary of TCL. During the years ended March 31, 2010 and 2009 the purchases from this subsidiary of TCL amounted to \$742 and \$860, respectively and accounts payable amounted to

\$124 and \$64 at March 31, 2010 and 2009, respectively. During the years ended March 31, 2010 and 2009, the sales to this subsidiary of TCL amounted to \$20,153 and \$6,463, respectively and accounts receivable at March 31, 2010 and 2009 amounted to \$7,625 and \$1,484, respectively.

15. Commitments and Contingencies

Future minimum rental payments for capital and operating leases (primarily for transportation equipment, mining equipment, offices and warehouses) having initial or remaining noncancelable lease terms in excess of one year as of March 31, 2010 are as follows:

	Capital Leases	Operating Leases
Years ending March 31,		
2011	\$ 52	\$ 10,042
2012	52	8,280
2013	51	5,219
2014	49	1,789
2015	2	1,434
Total minimum payments	<u>\$ 206</u>	<u>\$ 26,764</u>
Less amount representing interest (interest imputed at rates from 13.63% to 15.40%)	<u>(50)</u>	
Present value of minimum capital lease payments	156	
Less current portion of capital lease obligation	<u>(31)</u>	
Capital lease obligation, less current portion	<u>\$ 125</u>	

Rental expense for the years ended March 31, 2010 and 2009 was \$12,644 and \$14,296, respectively.

The Company is involved in certain claims, litigation, administrative proceedings and investigations relative to environmental and other matters. Although the amount of any ultimate liability which could arise with respect to these matters cannot be accurately predicted, it is the opinion of management, based upon currently available information and the accruals established that any such liability will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.
