

At September 30, 2004, minimum future rental income to be received on noncancelable operating leases were as follows (in thousands):

Fiscal Year	Amount
2005	\$ 6,525
2006	5,654
2007	5,103
2008	4,092
2009	3,175
Thereafter	7,765
<b>Total</b>	<b>\$ 32,314</b>

## INVESTMENTS

The cost of securities used in determining realized gains and losses is based on the average cost basis of the security sold. Net income in 2004 includes approximately \$1.5 million, \$0.03 per share on a diluted basis, on gains related to non-monetary transactions within the Company's available-for-sale investment portfolio which were accounted for at fair value. Net income in 2002 includes a loss of approximately \$0.5 million, \$0.01 per share on a diluted basis, resulting from the Company's assessment that the decline in market value of certain available-for-sale securities below their financial cost basis was other than temporary. There were no losses in 2004 and 2003 as the result of a decline in market values that were considered other than temporary by the Company.

Investments in companies owned from 20 to 50 percent are accounted for using the equity method with the Company recognizing its proportionate share of the income or loss of each investee. The Company owned approximately 21.7 percent of Atwood Oceanics, Inc. (Atwood) at both September 30, 2004 and 2003. The quoted market value of the Company's investment was \$142.6 million and \$72 million at September 30, 2004 and 2003, respectively. Retained earnings at September 30, 2004 and 2003 includes approximately \$29 million and \$28 million, respectively, of undistributed earnings of Atwood.

In October 2004, the Company sold 1,000,000 shares of its position in Atwood as part of a 2,175,000 share public offering of Atwood. The sale generated approximately \$16.5 million (\$0.32 per diluted share) of net income for the first quarter of fiscal 2005. With its remaining 2,000,000 shares of Atwood, the Company will own approximately 13.3 percent of Atwood. The Company will continue to account for Atwood on the equity method as the Company continues to have significant influence through its board of director seats.