

22.7/1/1

4 September 2006

To the Members of the EU Accounting
Regulatory Committee (ARC)

Dear Sir or Madam,

RE: PERFORMANCE REPORTING: DRAFT AMENDMENTS TO IAS 1

Earlier this year, the IASB published an Exposure Draft of Amendments to IAS 1 which was submitted for comments until July 17, 2006.

This Exposure Draft has been proposed as a first element of a joint project with the FASB towards a common standard for presentation of financial statements. Its stated objective was to achieve a first step towards convergence, involving what was to be considered as minor amendments.

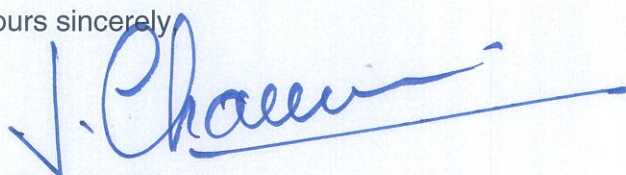
However, the amendments are in our view fundamental since they include first steps in eliminating the income statement as a primary financial statement, a decision that UNICE cannot support.

Many commentators in Europe, among them EFRAG, have outlined the fundamental change which was being introduced without proper and in-depth debate. Comments have been sent to the IASB in order to reject such a decision, at least at the very early stage of the project on the presentation of financial statements. Moreover it is important to outline that the income statement remains a primary financial statement in all sets of standards around the world, including US GAAP, and that the decision cannot be motivated by the search for convergence.

UNICE firmly believes that the European Union should express its disagreement with the IASB proposal, before the IASB starts its deliberations after analysis of the comments received.

If you require more information on the views of the European business community on this issue, please do not hesitate to contact me (j.chauvin@unice.be).

Yours sincerely



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