



International Accounting Standards Board®

Press Release

FOR IMMEDIATE RELEASE

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Membership of IASB and FASB international working group on performance reporting announced

The International Accounting Standards Board (IASB) today announced the membership of a new international working group that it has established jointly with the United States Financial Accounting Standards Board (FASB). The working group has been set up to help the boards in their joint project to establish standards for the presentation of information in the financial statements that would improve the usefulness of that information in assessing the financial performance of a business enterprise. The working group consists of senior professionals with extensive experience in and responsibility for the preparation, analysis, audit and regulation of financial statements. The members and official observers are listed in Appendix A.

Until recently, the IASB and FASB have conducted separate projects on this topic. Those projects differed in important respects and the boards suspended them in late 2003 while they decided on the most effective way forward. In April 2004 the boards agreed that, in the interests of convergence, a project on this topic should be conducted jointly. They will regard the past work of each organisation as a useful resource, but will not feel bound by it.

Although all types of entities are within the scope of the joint project, the boards have not appointed to the working group representatives from financial institutions in the preparer category. They received many nominations for this category; but have decided that the reporting needs of financial institutions should be considered separately from those of other sectors. Financial institutions will remain within the scope of the project, but the boards intend to set up a specialist subgroup to examine the reporting needs of financial institutions. The boards will select the members of the subgroup from those already nominated as financial institutions preparers and from members of the IASB's financial instruments and

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insurance working groups. The timetable for selecting members of this group is under consideration. The boards will also ask each of the IASB working groups to provide a representative as an official observer at meetings of the new working group.

The boards greatly appreciate everyone's enthusiasm to help in the improvement of international accounting standards and they hope that constituents will share their thoughts and concerns during the consultative stages of this project. Constituents are also encouraged to register as observers at any of the working group's meetings, as they will be open to the public. Observer registration details will be available on the IASB/FASB Websites when meeting dates have been agreed.

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NOTES TO EDITORS

About the project on performance reporting

For more information about the project on performance reporting, please see Appendix B and the IASB or FASB Websites.

About the procedure for selecting the members of the international working group

In May 2004 the IASB and the FASB posted a notice on their Websites inviting nominations for the working group. The boards also wrote to various organisations to draw attention to the notice. IASB/FASB members and staff prepared initial proposals

for the membership. The proposal was reviewed by the Trustees of the IASC Foundation, amended in the light of their comments and approved by them.

About the IASB

The IASB, based in London, began operations in 2001. It is funded by contributions collected by its Trustees, the IASC Foundation, from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations. The 14 IASB members (12 of whom are full-time) are drawn from nine countries and have a variety of professional backgrounds. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. In pursuit of this objective, the IASB co-operates with national accounting standard setters to achieve convergence in accounting standards around the world.

At present, some 35 countries require the use of international standards for all domestic listed companies, six other countries require the use of international standards for some companies, and many countries base their national practices on international standards. In 2002, several jurisdictions, including Australia, the European Union and Russia, announced that they would require the application of international standards on or before 1 January 2005. In September 2002 the IASB and the US standard-setter, the Financial Accounting Standards Board, reached an agreement to work towards the convergence of existing US and international practices and the joint development of future standards.

About the FASB

Since 1973, the Financial Accounting Standards Board (FASB) has been the designated organisation in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognised as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors and others rely on credible, transparent and comparable financial information. For more information about the FASB, visit its Website at www.fasb.org.

**Appendix A:
Membership of the international working group on performance reporting**

Name	Title	Organisation	Country
Peter R Bible	Chief Accounting Officer	General Motors Corporation	United States
Kathryn Cearns	Consultant Accountant	Herbert Smith	United Kingdom
Malcolm Cheetham	Chief Accounting Officer	Novartis	Switzerland
Stephen Cooper	Managing Director, Valuation & Accounting Research	UBS Investment Bank	United Kingdom
W Peter Day	Executive General Manager – Finance	Amcors Limited	Australia
Jacques De Greling	Equity Analyst	IXIS Securities (Caisse d’Epargne Group)	France
Bo Eriksson	Senior Vice President/ Corporate Controller	Stora Enso Oyj	Finland
Bridget Gandy	Managing Director, International Accounting and Research	Fitch Ratings Ltd	United Kingdom
Gregory Jonas	Managing Director	Moody’s Investors Service	United States
Ken Kelly	Vice President & Controller	McCormick & Co	United States
Sara York Kenny	Principal Accounting Policy Advisor	International Finance Corporation (World Bank Group)	United States /Global
Guido Kerkhoff	Senior Executive Vice President – Group Accounting and Reporting	Deutsche Telekom AG	Germany
Michael P Krzus	Director	Grant Thornton LLP	United States
Chris Legge	Managing Director, Industrial Ratings	Standard & Poor’s	United Kingdom
Patricia McConnell	Senior Managing Director	Bear Stearns	United States
Stuart MacDonald	Head of Group Financial Reporting	Scottish Power plc	United Kingdom
Elizabeth Mooney	Analyst	Capital Strategy Research	United States
Dipl.-Kfm. Hans- Joachim Pilz	Managing Director	SBFA Investment Research	Germany
Wolfgang H Reichenberger	Executive Vice President & Chief Financial Officer	Nestlé SA	Switzerland
Walter Schuster	Professor	Stockholm School of Economics	Sweden
Stephen Taylor	Partner	Deloitte Touche Tohmatsu	Hong Kong
Takashi Yaekura	Professor	Hosei University, Faculty of Business Administration	Japan
Hiroshi Yamada	Councillor – Corporate Accounting Group	Matsushita Electric Industrial Co., Ltd.	Japan
Gilles Zancannaro	Corporate Director – Information Systems and Finance	Bouygues	France

Official Observers

European Financial Reporting Advisory Group

International Organization of Securities Commissions

Basel Committee on Banking Supervision

IASB Financial Instruments and Insurance Working Group Representatives

Appendix B: Project Overview

The project is intended to establish standards for the presentation of information in the financial statements in order to enhance the usefulness of that information in assessing the financial performance and financial position of a business enterprise. Motivations for the project include the following:

- Different jurisdictions require dissimilar financial statements and time periods for comparative data.
- There are no common definitions of the elements of financial performance and practice regarding the presentation of financial performance and financial position is inconsistent.
- No consensus or common definitions exist for the key financial measures or indicators of financial performance and financial position that financial statements or financial reporting should provide.
- Increased pro forma reporting and other evidence suggesting that the use of and reliance on current subtotals and totals (such as net income) as indicators of performance is decreasing.
- Constituent concerns exist about the effects on the presentation of financial performance and financial position of the mixed-attribute model, where certain transactions and events are recorded at historical cost while others are recorded at fair value
- Inconsistent classifications of information exist among the required financial statements, including information contained within and outside of totals and subtotals.
- There is currently insufficient disaggregation of certain financial information, which inhibits financial analysis.

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