

**Analysis: Reconciliation “Asset Basis” Legacy Differences
2006 SEC Foreign Private Issuers Filing 20-Fs**

“Asset Basis” Legacy Differences:								
Goodwill and business combinations	48	Firms with asset legacy differences of:		Out of 130:	%	Cum. %		
PP&E and other long-term assets	41	1	54	54	42%	42%		
Other intangible assets	31	2	29	83	22%	64%		
Purchase accounting	23	3	11	94	8%	72%		
In-process R & D	9	4	1	95	1%	73%		
Asset exchanges	2	5	1	96	1%	74%		
	<u>154</u>	6	0	96	0%	74%		
Average (for 96 firms)	1.60	Legacy differences that:		#	Median	Maximum Minimum		
				IFRS > GAAP	64	5.4%	560.0%	0.1%
				IFRS < GAAP	32	-4.5%	-550.0%	-0.1%
					<u>96</u>			
				Median band		<u>-9.9%</u>		

Analysis: Potential Legacy Differences In Reconciliations 2006 SEC Foreign Private Issuers Filing 20-Fs

Other Potential Legacy Differences (27 categories):

		<u>Firms with potential legacy differences of:</u>		Out of 130:	%	Cum. %
Pensions/OPEBs	97	1	8	8	6%	6%
Share-based compensation	50	2	10	18	8%	14%
Derivatives	49	3	15	33	12%	25%
Deferred tax methodology	44	4	23	56	18%	43%
Leases	39	5	24	80	18%	62%
Minority interest adjustments	37	6	13	93	10%	72%
Securities & investments	36	7	11	104	8%	80%
Restructuring provisions	32	8	13	117	10%	90%
Asset impairment	31	9	4	121	3%	93%
Interest capitalization	26	10	5	126	4%	97%
Equity method investments	21					
Development costs	17					
Revenue recognition	16					
Other provisions	16					
Convertible debt	15					
Inventory	13					
VIE consolidation/deconsolidation	11					
Real estate investments	10					
Loan origination fees/costs	10					
Subsidiary disposal	10					
Insurance & investment contracts	9					
Early retirement provisions	9					
Fair value of securities	7					
Securitized assets	7					
Derivatives on firm's shares	6					
Translation of financial statements	6					
Deferred acquisition costs	6					
	<u>630</u>					
Average (for 126 firms)	5.00					

<u>Legacy differences that:</u>	<u>#</u>	<u>Median</u>	<u>Maximum</u>	<u>Minimum</u>
IFRS > GAAP	83	6.7%	2250.0%	0.1%
IFRS < GAAP	43	-6.0%	-469.1%	-0.1%
	<u>126</u>			
Median band		<u>12.6%</u>		

**Analysis: Other/All Legacy Differences In Reconciliations
2006 SEC Foreign Private Issuers Filing 20-Fs**

Differences among 5 or less companies (32 categories)	84
Other - multiple differences tossed into single figure	80
Tax effect of all other differences	93
	<u>257</u>
"Asset Basis" Legacy Differences	154
Other Potential Legacy Differences	630
"Minor" or expected differences	257
Total IFRS/GAAP differences for 130 firms:	<u>1,041</u>
Average	8.01

All differences of:		Out of 130:		
			%	Cum. %
0	2	2	2%	2%
1	3	5	2%	4%
2	1	6	1%	5%
3	9	15	7%	12%
4	9	24	7%	18%
5	12	36	9%	28%
6	8	44	6%	34%
7	10	54	8%	42%
8	18	72	14%	55%
9	11	83	8%	64%
10	15	98	12%	75%
11	7	105	5%	81%
12	14	119	11%	92%
13	4	123	3%	95%
14	1	124	1%	95%
15	5	129	4%	99%
16	1	130	1%	100%

All Differences (ex-minority interest)	#	Median	Maximum	Minimum
IFRS > GAAP	90	11.1%	826.4%	0.1%
IFRS < GAAP	38	-9.1%	-336.6%	-0.2%
	<u>128</u>			
Median band		<u>20.3%</u>		

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3Q2007: Median Days Between Filing Earnings & 10Q

Sector	Count	Median Gap	Max Gap
Consumer Discretionary	273	4.0	24.0
Consumer Staples	46	2.0	21.0
Energy	184	2.0	23.0
Financials	663	12.0	30.0
Health Care	353	3.0	24.0
Industrials	280	5.0	23.0
Information Technology	324	8.0	24.0
Materials	108	7.0	22.0
Telecom	40	1.0	21.0
Utilities	65	0.0	16.0
Total	2,336	6.0	30.0