

N E S T L É S . A .

HERMANN WIRZ
SENIOR VICE PRESIDENT

**INTERNATIONAL ACCOUNTING
STANDARDS BOARD**
30 Cannon Street

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*For the attention of Ms. Patrina Buchanan
Project Manager*

Vevey, 28 October 2005

DRAFT TECHNICAL CORRECTION ON IAS 21

Ladies and Gentlemen,

We welcome the possibility to comment on this draft amendment and we are pleased that the Board has addressed the concerns of the preparers mentioned in the letters sent by certain of their organisations and expressed during certain IASB Roundtables this summer.

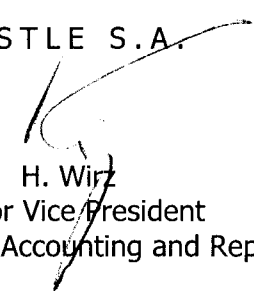
To answer your specific question 1, yes we agree with and support the proposals of this draft technical correction.

Regarding question 2, we do not consider that the language of the beginning of paragraph 33 correctly covers all the situations that could occur in practice. In this paragraph the Board refers to a "*reporting entity's net investment in a foreign operation*". We consider that the term "*reporting entity*" is misleading and may induce the reader to think that "*reporting entity*" means the Parent. We therefore strongly recommend that the Board defines that a reporting entity as being any entity member of a consolidated Group, that is the Parent and any subsidiary, either directly or indirectly owned.

We thank you for your attention to the above.

Yours very truly,

N E S T L É S . A .


H. Wirz
Senior Vice President
Head of Group Accounting and Reporting