

# STAFF PAPER

## IASB Meeting

<b>Project</b>	<b>Primary Financial Statements</b>		
<b>Paper topic</b>	Presentation of an investing category in the statement(s) of financial performance		
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### **Accounting Standards Advisory Forum, December 2017, Agenda paper 1A**

This paper was discussed at the Board meeting in November 2017.

## **Purpose of the meeting**

1. This Agenda Paper follows up the discussion at the September 2017 Board meeting by addressing the main concerns and suggestions raised by Board members about the staff proposal to introduce an investing category into the statement(s) of financial performance. This paper also explores whether the share of profit or loss of associates and joint ventures should be included within this category.
2. This paper does not address whether an investing category is relevant for financial institutions and other entities providing financing services. We would like the Board to focus on determining a suitable approach for a straightforward non-financial entity first. We will consider at a future meeting how this approach could be applied or adapted to more complex scenarios.

## **Structure of paper**

3. The paper is structured as follows:
  - (a) Summary of staff recommendations in this paper (paragraphs 4–5);
  - (b) Background (paragraphs 6–10);

- (c) What is the objective of an investing category and why would it be useful for users? (paragraphs 11–14);
- (d) Staff analysis—Describing an investing category (paragraphs 15–51); and
- (e) Appendix A — Illustrations of the presentation of ‘income from investments’.

### **Summary of staff recommendations in this paper**

4. The staff recommend introducing an additional category into the statement(s) of financial performance called ‘income from investments’ (previously proposed to be called an ‘investing category’ at the September 2017 Board meeting). We recommend:
  - (a) defining income/expense from investments using a principles-based approach as:

income/expenses from assets that generate a return for the entity individually and largely independently from other resources held by the entity;
  - (b) providing a list of some of the items that would typically be treated as ‘investing’ and a list of some of the items that would typically not be treated as ‘investing’ for straightforward non-financial entities. We propose that the list includes the items in paragraphs 27–28; and
  - (c) requiring the inclusion of the share of the profit or loss of all associates and joint ventures accounted for using the equity method within a single category (ie ‘income from investments’) irrespective of whether those associates or joint ventures are considered integral to the entity’s business operations.
5. We ask the Board whether it wants to label the subtotal before the ‘income from investments’ category as ‘operating profit’.

## Background

### *June 2017 meeting*

6. At the June 2017 meeting, Board members directed the staff to explore the presentation of an investing category in the statement(s) of financial performance, before the earnings before finance/income expenses and tax subtotal (EBIT). This was to mitigate the concerns raised by Board members during their discussions on the presentation of the EBIT subtotal that:

- (a) the presentation of interest on some assets below EBIT (ie as part of finance income/expenses) would:
  - (i) represent a significant change for some entities; and
  - (ii) create an artificial distinction between ‘interest on investments’ (below EBIT) and ‘dividends/fair value changes on investments’ (above EBIT).

If we have an investing category this might be an appropriate location for all income on these assets.

- (b) the staff proposal to reflect income and expenses from ‘cash and cash equivalents’ as part of the entity’s capital structure (ie as part of ‘excess cash’) is too restrictive for some entities because it would not capture some investments that some entities manage as part of capital structure.

### *Staff recommendations at the September 2017 meeting*

7. At the September 2017 meeting the staff recommended<sup>1</sup> introducing an investing category in the statement(s) of financial performance and presenting it within EBIT (ie above the EBIT subtotal). This is because we think introducing this category:

- (a) would improve information for users by providing additional structure to the statement(s) of financial performance and clearer information about investing income and expenses;

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<sup>1</sup> [Agenda Paper 21A for the September 2017](#) meeting covered, amongst other issues, proposals to introduce an investing category.

- (b) would enable users to more easily make adjustments to the EBIT subtotal to exclude investing income/expenses if they wish to and consider them as part of an entity's capital structure (acknowledging that this would require sufficient disaggregation of the investing category). For example, a user might wish to consider interest income from a liquid financial asset (that does not meet the definition of a 'cash equivalent') as finance income (ie part of an entity's capital structure) and exclude it from the investing category; and
  - (c) it might provide a suitable location for the share of profit or loss of associates and joint ventures which is an item that users do not normally consider part of the main operations of the entity.
8. The staff proposed defining investing income/expense using a principles-based approach as<sup>2</sup>:
- income/expenses from assets and liabilities that:
    - (a) yield a return for the entity; and
    - (b) do not result in significant synergies for the entity in combination with other resources of the entity.

### ***Board discussions***

9. Board members tentatively agreed with the idea of introducing an investing category but did not take any further decisions at the September 2017 meeting.
10. The staff think that the Board was generally supportive of the direction of the staff recommendations in paragraphs 7–8. However, Board members raised the following concerns and suggestions:
- (a) the reference to 'synergies' in the proposed definition of investing income/expense is unclear;
  - (b) the intended content of the investing category was not clear to some Board members, and some were of the view that the Board should specify which income/expenses should be in the investing category;

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<sup>2</sup> Refer to paragraph 3(b) of [September 2017 Agenda Paper 21A](#)

- (c) including the share of the profit or loss of associates and joint ventures accounted for using the equity method in the investing category might not be appropriate for associates and joint ventures that are integral to the entity's business (i.e. its main operations); and
- (d) the definition of 'investing activities' in IAS 7 *Statement of Cash Flows* is well-established and consequently 'investing' might not be the right label for the proposed category in the statement(s) of financial performance if this category has a different objective than the investing category in the statement of cash flows.

### **What is the objective of an investing category and why would it be useful for users?**

11. At the September 2017 meeting the staff set out the following objectives for introducing an investing category<sup>3</sup>:
  - (a) to provide more transparent and comparable information for users about income (and related expenses) from investments that would not be treated as part of capital structure but might, nevertheless, be viewed by some users as part of capital structure (refer to paragraph 7(b)); and
  - (b) to provide more helpful information for users because they often measure an entity's investments separately from the entity's operations when valuing the entity's business. This appears to be particularly the case associates and joint ventures accounted for using the equity method.
12. Our research has indicated that many users value certain items separately from their valuation of an entity's day-to-day business operations (some analysts refer to these as 'non-core', or non-operating items). Users value these non-core/non-operating items using different valuation drivers to the 'core' business (in terms of cash, risk and growth profiles). We understand that users combine their valuation of the non-core

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<sup>3</sup> Refer to paragraph 17 of [September 2017 Agenda Paper 21A](#).

business with their valuation of the ‘core’ business to arrive to the entity’s total enterprise value<sup>4</sup>.

13. The staff consulted some investment reports and identified some ‘investing’ items that are often stripped out from the ‘core’ enterprise valuation, including:

(a) **the share of the profit or loss of associates and joint ventures accounted for using the equity method.** Users need a subtotal that can be related to

revenue and that can be used for the calculation of core/operating margins.

Associates and joint ventures do not contribute to reported revenue and consequently, are excluded from the entity’s core/operating results.

Furthermore, the results from associates and joint ventures are considered of a different ‘quality’ from an entity’s fully-consolidated results and are commonly valued separately because:

(i) the entity is not able to exercise full control over the associate or joint venture (ie it exercises only significant influence over an associate and joint control over a joint venture); and

(ii) the results of associates and joint ventures are a blend of different amounts (ie operating/non-operating, financing and tax amounts of the investee) and users would normally exclude financing and tax amounts from their analysis and calculation of key metrics such as EBIT or free cash flows.

(b) **the returns from cash and cash equivalents and other liquid investments** are analysed separately because:

(i) returns from cash and liquid investments are normally considered by entities to be ‘non-operating’;

(ii) the calculation by users of ‘enterprise value’ involves the valuation of future flows of cash and does not capture the current stock of cash (or cash equivalents); and

(iii) the value of investments in securities can generally be observed or inferred through transactions involving those assets or similar assets in the market. Consequently, there is

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<sup>4</sup> The staff discussed this aspect in more detail in paragraph 21 of [June 2017 Agenda Paper 21A](#) and paragraphs A2-A4 of the appendix to that paper; as well as in paragraphs 13–16 of [June 2017 Agenda Paper 21E](#).

no need for users to forecast the cash flows from those investments or the risks associated with those investments in order to make their valuations.

- (c) **the dividends received from equity investments.** We did not find an explanation of why dividends received from equity investments are excluded from the ‘core enterprise valuation’ but we think that the reason could be similar to the reason in paragraph 13(a)(i) for the exclusion of equity-accounted investments (ie that the entity is not able to exercise full control over the ‘passive’ equity investment and it is therefore not considered part of the core business).

14. As noted above our research indicated that most users would exclude the results from associates or joint ventures from their valuation of an entity’s core business. However, we found some evidence that a few users would incorporate the results of associates and joint ventures, when those associates or joint ventures are considered integral to the entity’s business operations.

### **Staff analysis—describing an investing category**

15. At the September 2017 meeting the staff suggested developing principles to determine what to include in the investing category, together with illustrative examples to support the principles as this would:
- (a) result in relatively comparable information for users, whilst recognising that it is not possible to prescribe which income and expenses should be classified as investing for all entities and all business models; and
  - (b) be consistent with applying a principles-based approach to describing finance income/expenses.
16. The staff suggested using the definition in the 2010 Financial Statement Presentation Staff Draft (FSP Staff Draft) (paragraph 81), and accompanying examples (including

those in paragraph 82) in defining the investing category. The staff proposed defining investing income/expense using a principles-based approach as<sup>5</sup>:

income/expenses from assets and liabilities that:

- (a) yield a return for the entity; and
- (b) do not result in significant synergies for the entity in combination with other resources of the entity.

17. As we noted in paragraph 10 of this paper, some Board members raised some concerns about the staff's proposed definition of 'investing'. On the basis of those concerns we have structured our staff analysis as follows:

- (a) Issue 1: What do we mean by 'synergies'? (paragraphs 18–23);
- (b) Issue 2: How do we describe what goes into the investing category? (paragraphs 24–28);
- (c) Issue 3: Should the share of the profit or loss of associates and joint ventures be presented in the investing category? (paragraphs 29–42);
- (d) Issue 4: Should we modify the label for the 'investing' category? (paragraphs 43–48); and
- (e) Issue 5: How should we label the subtotal before the 'income from investments' category? (paragraphs 49–51).

### **Issue 1: What do we mean by 'synergies'?**

18. Some Board members found the word 'synergies' unclear in the definition of 'investing' and directed the staff to clarify the reference to income/expenses from assets/liabilities that 'do not result in significant synergies'.

19. The staff observe that in the Oxford Dictionary "synergy" means<sup>6</sup>:

The interaction or cooperation of two or more organisations, substances, or other agents to produce a combined effect greater than the sum of their separate effects.

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<sup>5</sup> Refer to paragraph 3(b) of [September 2017 Agenda Paper 21A](#)

<sup>6</sup> We consulted the online version of the Oxford Dictionary.

20. The use of the word ‘synergies’ in the proposed definition of investing implies that for investment activities little value is created through the combination of different resources, and it is the single or individual asset itself (ie the individual investment) that adds value and generates a return to the entity.
21. In contrast, the profit/return from ‘operating’ activities is not generated from the value of the individual resources employed. The profit/return from operating activities is generated through a combination of different resources, the utilisation of intangibles and of other inputs (such as the expertise by employees and management).
22. We observe that using the concept of synergies (ie combination of resources) to explain the difference between one type of resource and another is not new in IFRS Standards. In this respect, we observe that paragraph 7 of IAS 40 *Investment Property* explains the distinction between investment property and owner-occupied property as follows (we reproduce an extract of this paragraph below):

....an investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner-occupied property. The production or supply of goods or services (or the use of property for administrative purposes) generates cash flows that are attributable not only to property, but also to other assets used in the production or supply process.

23. We think that using the word ‘synergies’ in the proposed definition of ‘investing’ might be unclear. We consequently recommend the following amendments to the ‘investing’ definition on the basis of our discussion above (we have tracked the proposed changes to our previous definition):

Investing income and expenses are income/expenses from assets ~~and liabilities~~ that ~~(a) yield~~ generate a return for the entity individually and largely independently from other resources held by the entity.

~~-and. (b) involve do not result in significant synergies for the entity in combination with other resources of the entity.~~

**Issue 1—Question to the Board**

1. Does the Board agree with our recommendation in paragraph 23 of this paper to define investing income and expenses using a principles-based approach as: ‘income/expenses from assets that generate a return for the entity individually and largely independently from other resources held by the entity’?

**Issue 2: How do we describe what goes into the investing category?**

24. Some Board members were unclear about the content of the investing category (eg whether it would include income/expenses from long-term investments only or from both short-term and long-term investments) and some were of the view that the Board should specify which income/expenses should be included in the ‘investing’ category.
25. At the September 2017 meeting<sup>7</sup> the staff did not support providing a comprehensive list of items to be included in the investing category because:
- (a) it may be difficult to ensure that the list is complete and that it would be applied consistently by entities;
  - (b) it would be inconsistent with having a principles-based approach to describing finance income/expenses; and
  - (c) it is unlikely that a single list could be applied across different business models and industries. For example, we might prescribe that income/expenses on investment property is investing income/expenses for a straightforward manufacturing entity. However, such income/expenses may not be investing in nature for property companies.
26. We continue to support our recommendation at the September 2017 meeting that an entity should identify investing income/expenses using a principles-based approach. However, the staff think that the Board could provide a list of some of the items that would typically be treated as ‘investing’ and a list of some of the items that would typically not be treated as ‘investing’ for straightforward non-financial entities. We

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<sup>7</sup> Refer to our discussion in paragraph 21 of [September 2017 Agenda Paper 21A](#)

think that such a list would help entities to apply the principles-based definition of investing consistently.

27. We think that the ‘investing’ category would typically *include*:
- (a) interest income and other income on financial assets (eg interest income on debt investments) that is not finance income (based on the staff proposal to include interest income from cash and cash equivalents calculated using the effective interest method and other income from cash and cash equivalents as part of finance income/expenses in Agenda paper 21B; refer to paragraph 28(b) below);
  - (b) income/expenses from other investments such as:
    - (i) the share of the profit or loss of associates and joint ventures accounted for using the equity method (refer to our discussion in Issue 3);
    - (ii) fair value changes and rental income on investment property for companies that do not treat such investments as a significant part of their operations; or
    - (iii) dividends and fair value changes on non-consolidated equity investments.
  - (c) speculative investments, such as investments in artwork; or
  - (d) disposal gains and losses associated with the sale of an investment.
28. We think that the ‘investing’ category would typically *exclude*:
- (a) income/expenses from (financial and non-financial) assets commonly involved in the production of goods and delivery of services (eg income from long-term trade receivables or income/expenses from property, plant and equipment). This is because the income and expenses derived from those assets results from the combination of those assets with other resources of the entity (eg employees, raw materials, intangibles) and not from the individual assets on their own, in line with our discussion in paragraphs 18–23; or
  - (b) income/expenses from ‘excess cash’. The staff proposal in Agenda Paper 21B is to define ‘excess cash’ as ‘cash and cash equivalents’ and to include

interest income from cash and cash equivalents calculated using the effective interest method and other income from cash and cash equivalents as part of finance income/expense.

**Issue 2—Question to the Board**

1. Does the Board agree with our recommendation in paragraph 26 that the Board could provide a list of some of the items that would typically be treated as ‘investing’ and a list of some of the items that would typically not be treated as ‘investing’ for straightforward non-financial entities? We propose including the items in paragraphs 27–28 of this paper, does the Board agree?

**Issue 3: Should the share of the profit or loss of associates and joint ventures be presented in the investing category?**

29. At the June 2017 Board meeting<sup>8</sup> we discussed with the Board the presentation of the share of the profit or loss of associates and joint ventures accounted for using the equity method. Board members appeared to be more supportive of presenting the share of the profit or loss of associates and joint ventures above, rather than below EBIT (ie above finance income/expenses and tax). The Board did not take a specific decision on whether to require a single location for all associates/joint ventures at that meeting (eg as part of an ‘investing’ category).
30. At the September 2017 meeting Board members had the following different views regarding the presentation of the share of the profit or loss of associates and joint ventures:
- (a) some thought that this share should be presented as part of an entity’s operating activities if the investments were integral to the entity; but if they were peripheral to the entity’s operating activities they thought that those investments should be part of the ‘investing’ category; and

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<sup>8</sup> Refer to [June 2017 Agenda Paper 21E](#).

- (b) others thought this share should be presented within the ‘investing’ category irrespective of whether any associate or joint venture is integral to the entity’s business operations.

31. The staff discuss those different views in paragraphs 37–42.

***Does the share of the profit or loss of non-integral associates and joint ventures meet our proposed definition of ‘investing’?***

32. The staff observes that the share of the profit or loss of non-integral associates and joint ventures accounted for using the equity method meets our proposed definition of ‘investing’. This is because this share:

- (a) represents a return for the entity associated with the entity’s ownership interest over the investee (ie associate or joint venture); and
- (b) is received by the investing entity largely independently from other resources held by the entity (ie the investing entity recognises a share in the investee’s profit or loss through the application of the equity method).

33. Accordingly, we think that the profit or loss of non-integral associates and joint ventures should be included in the investing category.

***What about the share of the profit or loss of integral associates and joint ventures?***

34. As we reported to the Board at the June 2017 Board meeting<sup>9</sup> our analysis indicated that some entities present their share of the results of the associates and joint ventures within the entity’s operating profit (when such a subtotal is presented in the statement(s) of financial performance) when the activities of the associates or joint ventures are similar to or are integrated with an entity’s main line of business.

35. Our research revealed that some entities consider joint ventures (or associates) integral to their business, when they:

- (a) represent a significant percentage of the entity’s turnover and operating results (in some such cases, entities give pro forma disclosures on the old

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<sup>9</sup> Refer to paragraphs 30–32 of [June 2017 Agenda Paper 21E](#).

proportionate consolidation basis, in order to give ‘total’ revenue and operating profit figures);

- (b) are run as an extension of the group’s activities. This is for example, when the joint venture’s activities are operated in the same manner as the entity’s subsidiaries (ie an entity’s regional directors provide the same oversight and advice to subsidiaries and joint ventures; or the computer systems of subsidiaries and joint ventures are aligned with those of the group); or
  - (c) are used to run complex and larger projects (we understand that this type of joint venture is common in the construction and energy sectors).
36. The staff observe that determining a suitable location for the share of the profit or loss of integral associates or joint ventures might not be straightforward because, even though integral associates or joint ventures *generate a return* for the entity, it could be argued that the return is not generated *independently* from other resources held by the entity. For example, if a beverage company has an investment in its bottling company, one might argue that the results from this investment should be part of an entity’s operating activities.
37. Consequently, the staff have identified two different ways in which the share of profit or loss of all associates and joint ventures could be presented (these approaches are illustrated in Appendix A).
- (a) Approach A: require an entity to present the share of the profit or loss of *all* associates or joint ventures in a single location (ie the ‘investing category’);  
or
  - (b) Approach B: require an entity to present the share of the profit or loss of *integral* associates or joint ventures outside the ‘investing’ category; and the share of the profit or loss of non-integral associates within the ‘investing’ category.
38. The staff rejected the idea of giving entities a choice regarding where to present the share of the profit or loss of *integral* associates or joint ventures as this would reduce comparability.

39. Approach A, presenting the share of the profit or loss of all associates and joint ventures in a single location (ie within the ‘investing’ category), has the following advantages:
- (a) it would be consistent with the way most users treat the results of associates and joint ventures for purposes of their analysis (ie the share of the profit or loss of associates and joint ventures is usually analysed separately from an entity’s operating results);
  - (b) it should make it easier for users to locate and assess investments in associates and joint ventures (ie as they will be presented in a single location); and
  - (c) it would provide greater consistency in the presentation of the share of profit or loss of associates and joint ventures and would eliminate the existing diversity in practice in the presentation of this item. This would also be consistent with our work to respond to users’ needs for greater comparability in the statement(s) of financial performance.
40. Requiring an entity to present the share of the profit or loss of integral associates and joint ventures outside the ‘investing’ category has the following advantages (Approach B):
- (a) it might better reflect the way in which an entity conducts its business activities; and
  - (b) some entities already present the results of some investees within their operating results so for these entities it would not represent a change in practice.
41. A potential disadvantage of Approach B is that the Board may need to provide a list of factors that an entity could use to identify integral associates or joint ventures. If the Board provides a list, it would be difficult to ensure that this list is complete and that it would be assessed in a consistent way by all entities.

*Staff view*

42. We think that the advantages of Approach A (presentation in a single category) in terms of increased comparability and consistency of presentation outweigh the

advantages of Approach B. Consequently, we recommend the Board requires the inclusion of the share of the profit or loss of *all* associates and joint ventures accounted for using the equity method within a single category (ie ‘investing’) irrespective of whether some of those associates or joint ventures may be considered integral to the entity’s operations.

**Issue 3—Question to the Board**

1. Does the Board agree with our recommendation in paragraph 42 to require the inclusion of the share of the profit or loss of all associates and joint ventures accounted for using the equity method within a single category (ie ‘investing’) irrespective of whether some of those associates or joint ventures may be considered integral to the entity’s business operations?

**Issue 4: Should we modify the label for the ‘investing’ category?**

43. Some Board members expressed the concern that the definition of ‘investing activities’ in IAS 7 is well-established and consequently ‘investing’ might not be the right label for the proposed category in the statement(s) of financial performance if this category has a different objective than the investing category in the statement of cash flows.
44. In IAS 7 ‘investing activities’ are defined in paragraph 6 as follows:
- Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
45. The objective of providing information about cash flows from investing activities in IAS 7 appears to be to identify investments made in—ie the acquisitions and sales of—assets that are long-term in nature, including long-term assets that support an entity’s operations, and investments in debt or equity instruments. Moreover, we observe that:
- (a) the definition of investing activities in paragraph 6 of IAS 7 explicitly *excludes* cash flows from other investments included in cash equivalents;
- and

- (b) the description in paragraph 16(d) of IAS 7, also explicitly *excludes* equity or debt instruments that would be ‘...held for dealing and trading’.
46. In contrast, as we have explained in paragraphs 27–28 of this paper, our proposed definition of ‘investing’ would be broader and would include returns (in the form of interest income, dividends, royalties, rents and other income) from a variety of short-term and long-term investments.
47. The staff is of the view that an alternative title could be considered for the ‘investing’ category in the statement(s) of financial performance to avoid confusion with the well-established notion of ‘investing’ activities in IAS 7 and consequently the staff recommends the Board giving the ‘investing’ category a different label.
48. We propose the Board to label the ‘investing’ category as ‘income from investments’. This category would:
- (a) include returns from different types of short-term and long-term investments; and,
  - (b) exclude income/expenses from cash and cash equivalents included as finance income/expense (ie income/expenses from ‘excess cash’).

**Issue 4—Question to the Board**

1. Does the Board agree with the staff recommendation in paragraph 48 that the investing category could be labelled ‘income from investments’?

**Issue 5: How should we label the subtotal before the ‘income from investments’ category?**

49. For many entities, ‘profit before investments, financing and income tax’ can be viewed as equivalent to their operating profit. Consequently, if we create an ‘income from investments’ category (as proposed in this paper) and if we define finance income/expenses (as proposed in Agenda Paper 21B of November 2017), we could consider labelling the subtotal before ‘income from investments’ as ‘operating profit’. Rather than defining operating profit positively, the subtotal before ‘income from investments’ would be a residual or default category (ie equal to the subtotal of all

income/expenses recognised in profit or loss that do not meet our definition of income from investments or finance income/expenses).

50. Many of our stakeholders have suggested that we should define operating profit and labelling this subtotal as operating profit could be seen as responsive to those suggestions. However, defining operating profit in this way may not be supported by those stakeholders who see operating profit as a measure of the recurring or core performance of an entity. We have had substantial difficulties in the past in trying to define operating profit because stakeholders have different views about what income/expenses should be included in operating profit. Even defining operating profit as a residual could prove controversial.
51. The staff would like to ask the Board whether it wants to label the subtotal before the 'income from investments' category as 'operating profit' for the reasons mentioned in paragraph 49.

**Issue 5—Question to the Board**

1. Does the Board want to label the subtotal before the 'income from investments' category as 'operating profit'?

**Appendix A – Illustrations of the presentation of ‘income from investments’**

A1. We illustrate below the presentation of the ‘income from investments’ category under the approaches discussed in paragraphs 37–41 of this paper and assuming that the Board supports the staff proposals in Agenda Paper 21B:

- (a) Approach A – ‘income from investments’ category with the share of the profit or loss of all associates and joint ventures presented in a single category.
- (b) Approach B – ‘income from investments’ category with some associates and joint ventures that are integral to the entity’s business activities presented outside the ‘income from investments’ category.

<b>Approach A</b>		<b>Approach B</b>	
Statement of Financial Performance		Statement of Financial Performance	
	2017		2017
Revenue	X	Revenue	
Cost of products sold	X	Cost of products sold	X
SG&A expense	X	SG&A expense	X
Service cost	X	Service cost	X
<b>Profit before investments, financing and income tax</b>	X	Share of profit of integral associates and JVs	X
<b>Income from investments</b>		<b>Profit before investments, financing and income tax</b>	X
Fair value changes in the value of investment property	X	<b>Income from investments</b>	
Dividends received on equity investments	X	Fair value changes in the value of investment property	X
Interest income on long-term debt investments	X	Dividends received on equity investments	X
Gain on the disposal of real estate investment	X	Interest income on long-term debt investments	X
Rental income	X	Gain on the disposal of real estate investment	X
Share of profit of associates and joint ventures (JVs)	X	Rental income	X
<b>Profit before financing and income tax</b>	X	Share of profit of associates and JVs (excl. integral associates and JVs)	X
Interest income from cash and cash equivalents calculated using the effective interest method	X	<b>Profit before financing and income tax</b>	X
Other income from cash and cash equivalents and financing activities	X	Interest income from cash and cash equivalents calculated using the effective interest method	X
Expenses from financing activities	X	Other income from cash and cash equivalents and financing activities	X
Other finance income	X	Expenses from financing activities	X
Other finance expense	X	Other finance income	X
<b>Profit before tax</b>	X	Other finance expense	X
Income tax expense	X	<b>Profit before tax</b>	X
<b>Profit for the year from continuing operations</b>	X	Income tax expense	X
Loss from discontinued operations	X	<b>Profit for the year from continuing operations</b>	X
<b>Profit for the year</b>	X	Loss from discontinued operations	X
		<b>Profit for the year</b>	X