

NESTLÉ S.A.

HERMANN WIRZ  
SENIOR VICE PRESIDENT

INTERNATIONAL ACCOUNTING STANDARDS BOARD  
30 Cannon Street,

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**EXPOSURE DRAFT ED/2011/3 – Mandatory Effective Date of IFRS 9**

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Ladies and Gentlemen,

Please find below our answer to your invitation to comment on the above mentioned exposure draft.

We very much welcome the simplifications that the Board has implemented in IFRS 9 and, in particular, those that allow to make hedge accounting requirements more in line with the entities' risk management policies. It is therefore critical to our Group that the Board publishes IFRS 9 in its complete version as soon as possible so that we can immediately start working on its implementation. That said, we share the Board's opinion that it is important to allow the entities to apply all the phases to replace IAS 39 at the same time. Therefore we agree with the proposal to postpone the effective date of IFRS 9 to the 1 January 2015 because earlier application will be permitted.

Regarding the transitional provisions we consider that applying IAS 8 and using a retrospective application would make sense for the classification of financial instruments. However in line with paragraph 53 of the hedge accounting ED (ED/2010/13) we favour a prospective application for all hedge accounting transactions and no restatement of disclosures.

Thank you very much for your attention to the above.

Yours very truly,

NESTLÉ S.A.



H. Wirz

Senior Vice President  
Head of Group Accounting and Reporting