3 December 2008

International Accounting Standards Board
30 Cannon Street
London EC 4M 6XH
UNITED KINGDOM

commentletters@iasb.org.uk

Dear Sir/Madam

"Simplifying Earnings per Share"

The Group of 100 (G100) is an organization of chief financial officers from Australia's largest business enterprises whose primary purpose is to advance Australia's financial competitiveness. The G100 is pleased to provide comments on the Exposure Draft.

The G100 strongly supports the objectives of the project to simplify the determination of earnings per share while also achieving convergence with US GAAP. Standardization and clarity of the measurement process will facilitate comparability between entities and across jurisdictions. However, the G100 remains concerned about the extent of the disclosures, particularly those relating to providing reconciliations.

Q1 MANDATORILY CONVERTIBLE INSTRUMENTS ISSUABLE FOR LITTLE OR NO CASH OR OTHER CONSIDERATION.

a. *Do you agree that the weighted average number of ordinary shares for basic EPS should include only instruments that give (or are deemed to give) their holder the right to share currently in profit or loss of the Period? Why or why not?*

Yes. The G100 believes that this approach enhances clarity and understanding of the earnings per share calculation.

b. *Does the exposure draft apply this principle correctly to mandatorily convertible instruments and ordinary shares issuable for little or no cash or other consideration? Why or why not?*

Yes.

Q2 ***GROSS PHYSICALLY SETTLED CONTRACTS TO REPURCHASE AN ENTITY'S OWN SHARES AND MANDATORILY REDEEMABLE ORDINARY SHARES.***

Do you agree with the proposed treatment of gross physically settled contracts to repurchase an entity's own shares and mandatorily redeemable shares? Why or why not?

Yes, on the basis that the entity is committed to repurchase the shares in question.

Q3 ***INSTRUMENTS THAT ARE MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS***

For an instrument (or the derivative component of a compound instrument) that is measured at fair value through profit or loss, paragraphs 26 and A28 propose that an entity should not:

a. adjust the diluted EPS calculation for the assumed exercise or conversion of that instrument; or

b. apply the guidance for participating instruments and two-class ordinary shares in paragraphs A23 – A28

Do you agree that the fair value changes sufficiently reflect the effect on ordinary equity holders of instruments measured at fair value through profit or loss and that recognizing those changes in profit or loss eliminates the need for further adjustments to the calculation of EPS? Why or why not?

Yes. The G100 agrees with the proposed approach.

Q4 ***OPTIONS, WARRANTS AND THEIR EQUIVALENTS***

a. Do you agree that to calculate diluted EPS an entity should assume the settlement of forward sale contracts on its own shares in the same way as options, warrants and their equivalents? Why or why not?

Yes. The substances of the impacts are the same.

b. Do you agree that ordinary shares arising from the assumed exercise or settlement of options, warrants and their equivalents should be regarded as issued at the end–of-period market price? Why or why not?

Yes. This approach will simplify the calculation and uses the most current price.

Q5 ***PARTICIPATING INSTRUMENTS AND TWO-CLASS ORDINARY SHARES***

Do you agree with the proposed amendments to the application guidance for participating instruments and two-class ordinary shares? Why or why not?

Yes.

Q6 ***DISCLOSURE REQUIREMENTS***

The Board does not propose additional disclosures beyond those disclosures already required in IAS 33. Are additional disclosures needed? If so, what additional disclosures should be provided and why?

No. The G100 believes that before requiring additional disclosures the IASB should assess whether they are necessary in the context of the full set of disclosures required under IFRSs.

Yours sincerely

AJReeves

Tony Reeves
National President