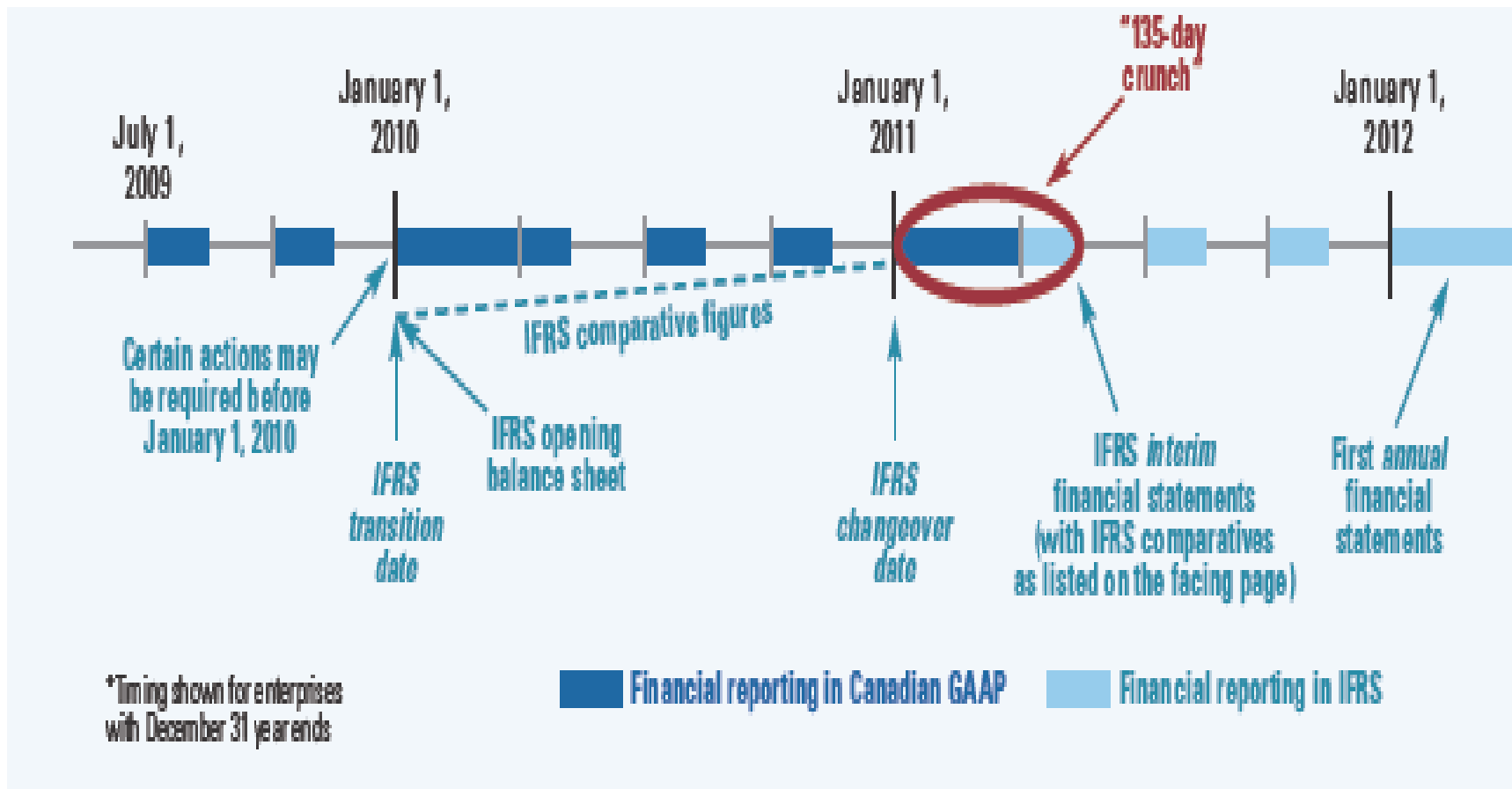


Where are we?



Where are you?

- IFRS agenda for the remaining AC meetings before changeover
- Team and sponsors
- Transition plan and milestones
- IFRS project team resourcing
- Financial literacy
- Gap analysis
- Management decisions IFRS 1
- Management decisions IFRS accounting policy choices
- January 1, 2010 opening balance sheet
- Parallel run of quarterly 2010 results for comparative purposes
- Mock financial statements
- MD&A disclosures (52-320)
- Impact assessments: tax, IR, HR, Finance, legal, SOX, IAD
- Peer groups

What have you decided?

Judgmental areas IFRS include:

- IFRS 1 elections
- Impairments January 1, 2010 (CGUs, cash flows)
- Provisions (discount rate)
- Operating leases (lease term and MLPs)
- Derivatives
- Regulatory accounting scope/measurement
- Classification debt/equity/trust units
- Consolidation
- Joint ventures

WATCH December 31, 2009 Canadian GAAP:

- Documentation for any expected derivatives (cash flow)
- Transition issues and hindsight
- How are you going to “book” IFRS on January 1, 2010?

Anecdotal comments IFRS

- **Analysts and lenders focus on cash flows**
- **Analysts and lenders adjust earnings comparables to own models**
- **Peer groups important to providing balance with accountants**
- **IFRS focuses more on getting things on the balance sheet (leases)**
- **Transition has its costs: IT is a key issue**
- **Watch “side effects”: debt covenants**
- **“Manage story”**
- **Understand “number impact”: back of the envelope**

What if I am a “private”?

- **Adopt IFRS (full or IFRS SME) or Canadian Private Enterprise GAAP?**
- **Canadian Solution: not IFRS SME**
 - **No size test**
 - **Keeps differential reporting options**
 - **“Cleaned up”**: EICs, AcGs, public rules
 - **“Simplified” rules**: consolidation, pensions, taxation, FIs
 - **Section 1500: First Time Adoption Rules**
 - **5 year “re-evaluation” life**
 - **Approved September 2009**
 - **Available for adoption yearend 2009**
 - **Mandatory 2011 unless choose to go IFRS route**
- **Considerations:**
 - **“Hope” to be acquired?**
 - **Peers and comparability**