



IFRS Readiness Tracking Survey

May 2010

Survey Background

■ Semi-annual survey

- Conducted 4/20 through 5/7, 2010
- 3588 responses – 3191 qualified (BI or Public Practice member)
 - 596 from US Public Companies
 - 739 from US Private Companies
 - 180 from Foreign Public Companies
 - 125 from Foreign Private Companies
 - 127 from Not for profit or educational institutions
 - 1414 from Public Practice

■ In addition to tracking questions, contains a number of questions unique to this survey

■ Measures members readiness to implement IFRS

■ Provides information on their views surrounding other issues related to IFRS adoption

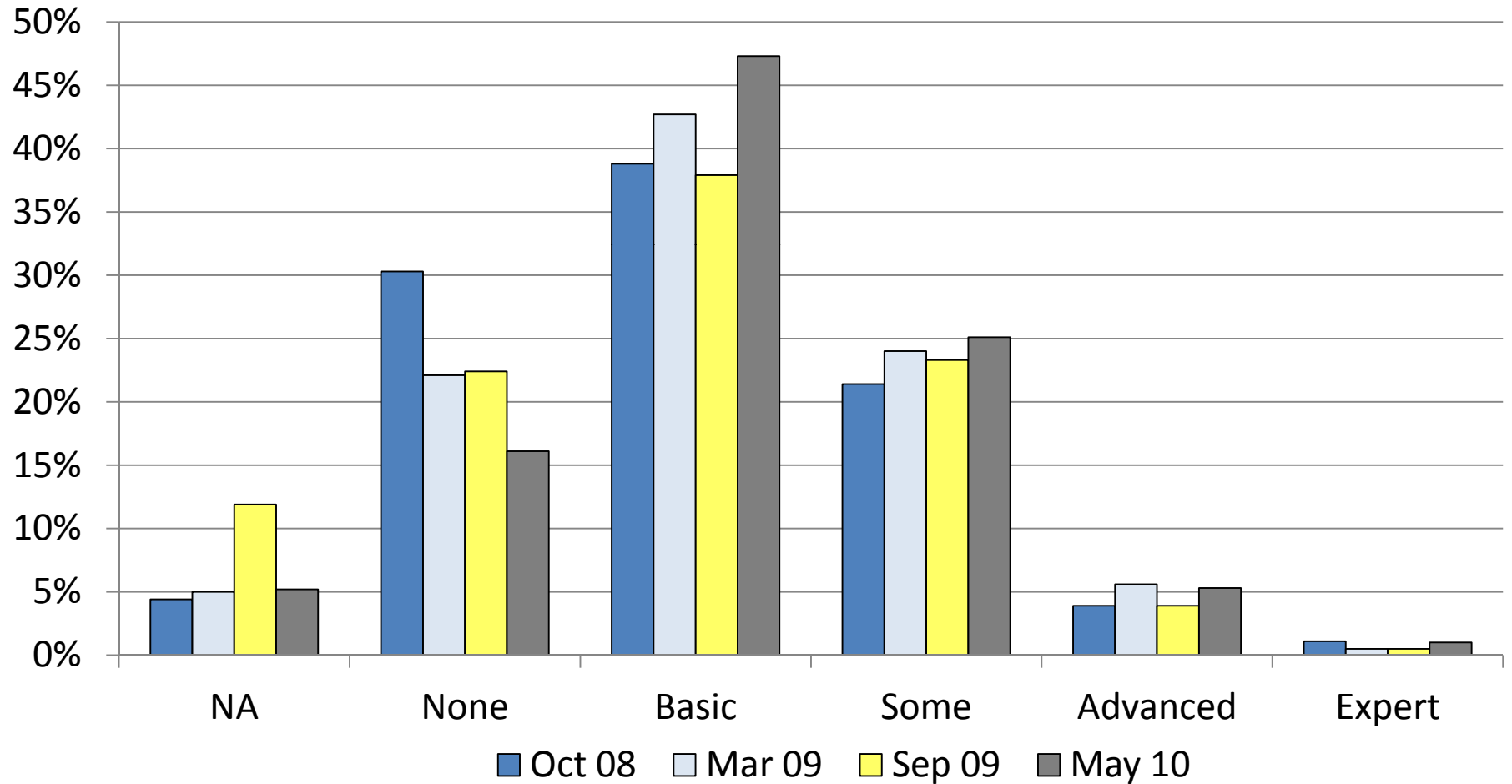
Key Messages from IFRS Readiness Survey

May 2010

- **Familiarity with IFRS has increased since September 2009**
 - Members also expressed a need for more advanced IFRS knowledge
 - 27% said they need increased knowledge in the next year, an additional 37% said they need increased knowledge in the next 2 to 3 years
- **Companies have made some progress in moving toward adoption**
 - However, respondents indicated they are delaying implementation while waiting for SEC action
- **Members support**
 - Adoption of IFRS, although more convergence is desired first
 - Members believe a 2015-2016 adoption date would allow enough time for implementation, if the SEC decides in 2011 to require IFRS
- **Only about half of respondents were aware of IFRS for SMEs**
 - In addition, 47% said they were unsure if they would consider adopting IFRS for SMEs

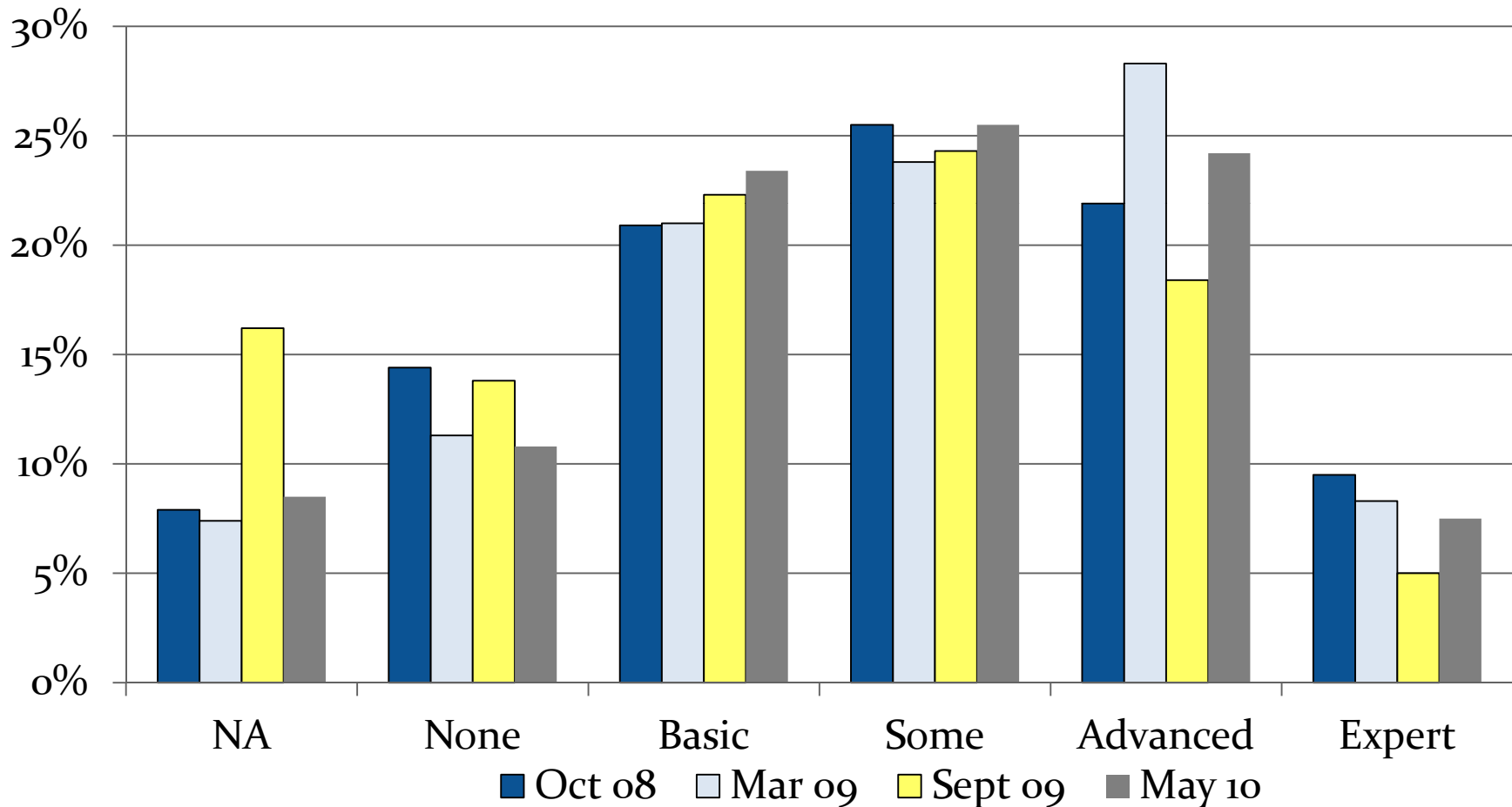
Current Familiarity with IFRS

All Members



Needed Familiarity with IFRS

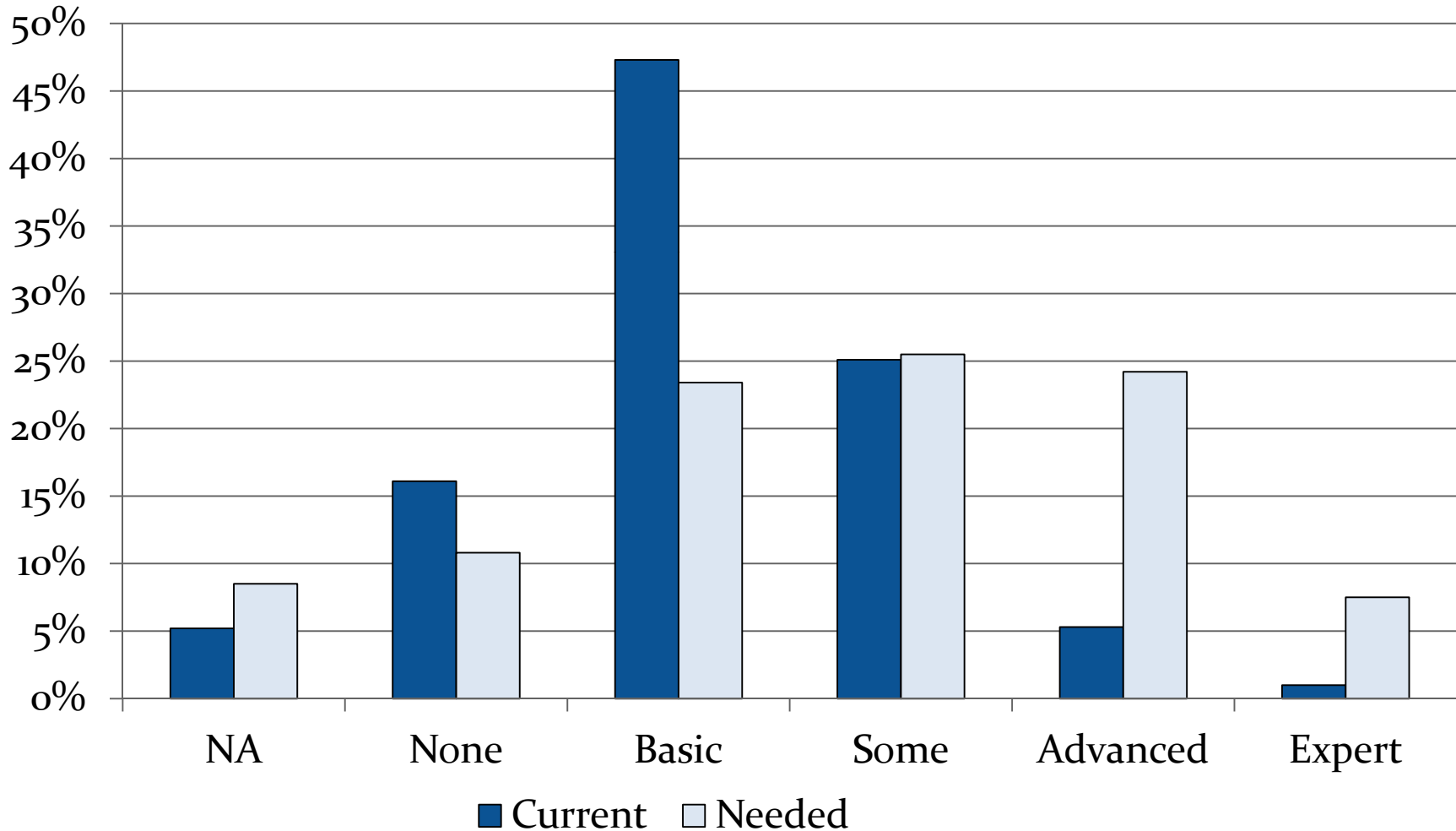
All Members



Familiarity with IFRS

Current vs Needed

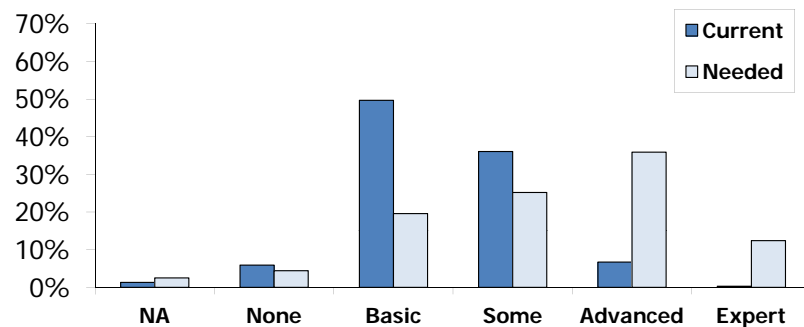
All Members



Familiarity with IFRS

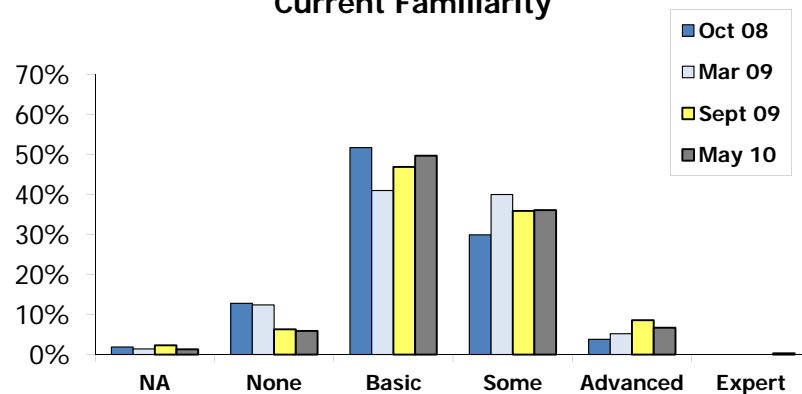
US Public Co Members

Current vs Needed

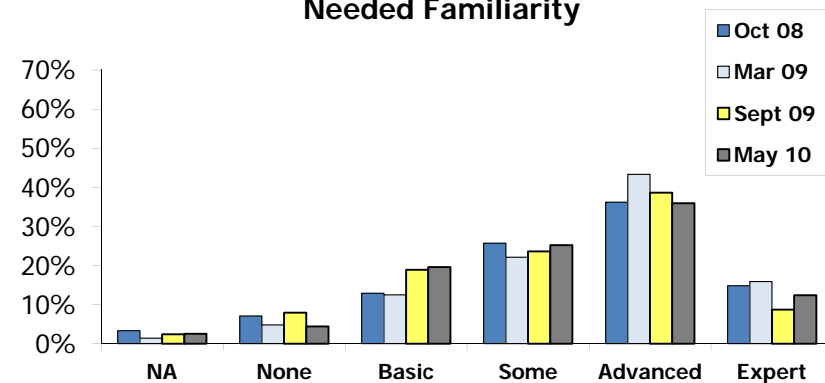


- Members who work for US Public Co's are more likely to need advanced or expert levels of familiarity but few have it.
- However overall familiarity of the members has not changed since October 08
- Expectations for Needed Familiarity are also fairly stable

Current Familiarity



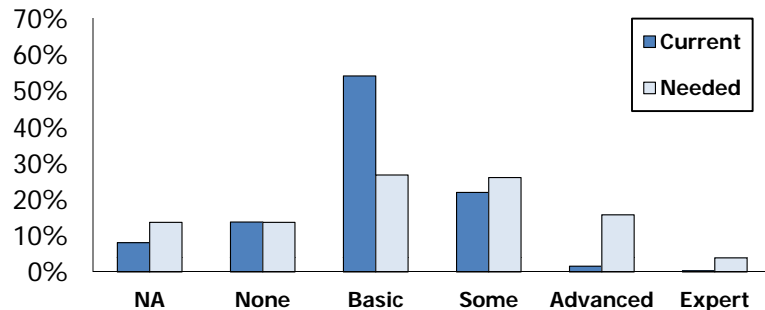
Needed Familiarity



Familiarity with IFRS

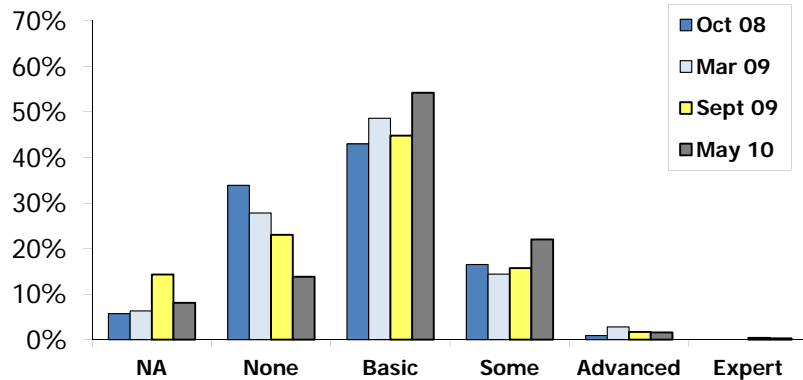
US Private Co Respondents

Current vs Needed Familiarity

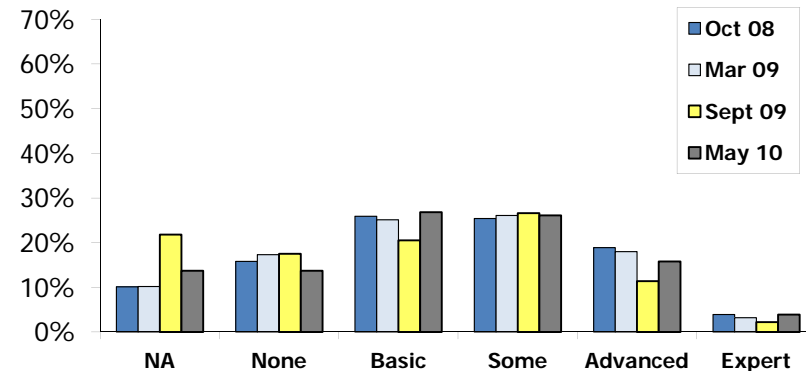


- Members who work for US Private Cos generally have less familiarity with IFRS than they need
- However familiarity has been growing consistently since October 08
- After the anomaly in the last survey the number of respondents who think IFRS knowledge is not applicable has fallen back in line with previous surveys
- Members expectations for what they think they will need show a small increase in the level of knowledge required

Current Familiarity



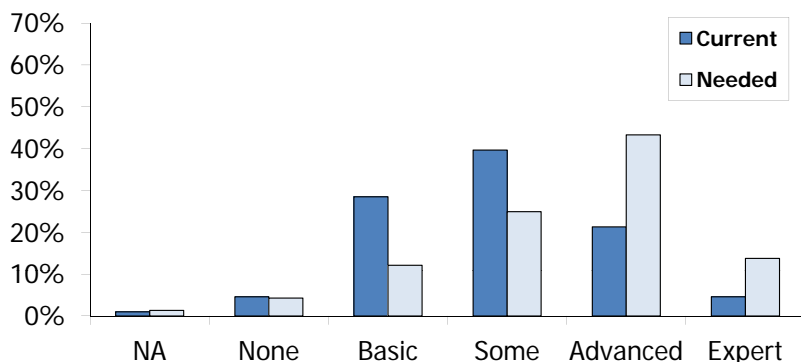
Needed Familiarity



Familiarity with IFRS

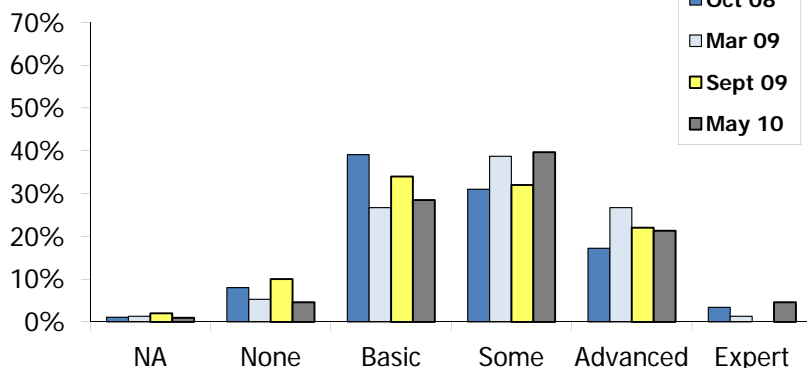
Foreign Owned Co Members

Current vs Needed

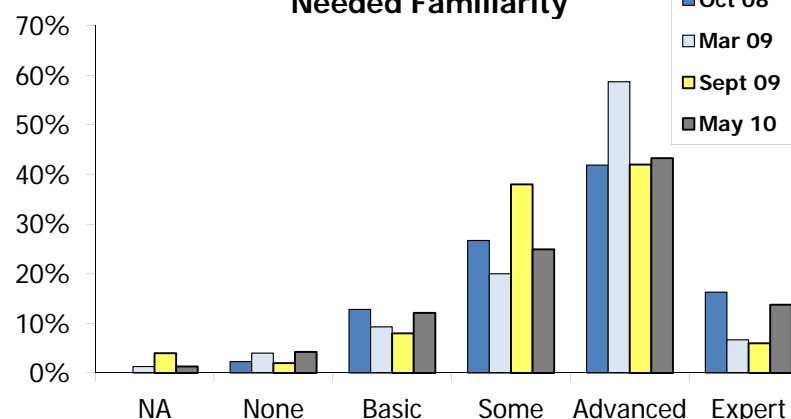


- Like their US counterparts members who work for Foreign companies generally have less familiarity with IFRS than they need
- However members who work for foreign countries are more familiar with IFRS than their US company counterparts
- The same can be said for the change in what members expectations are for what they think they will need

Current Familiarity



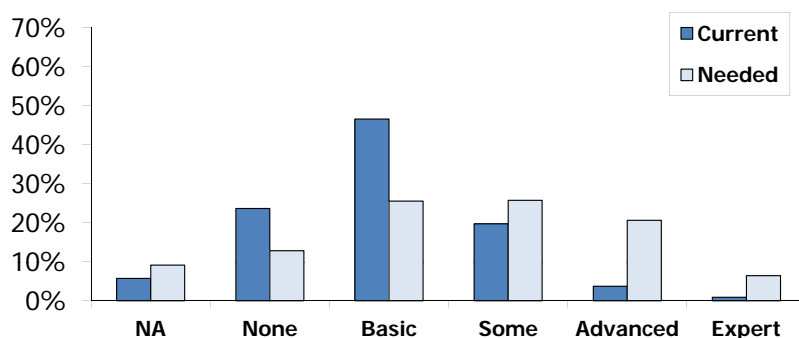
Needed Familiarity



Familiarity with IFRS

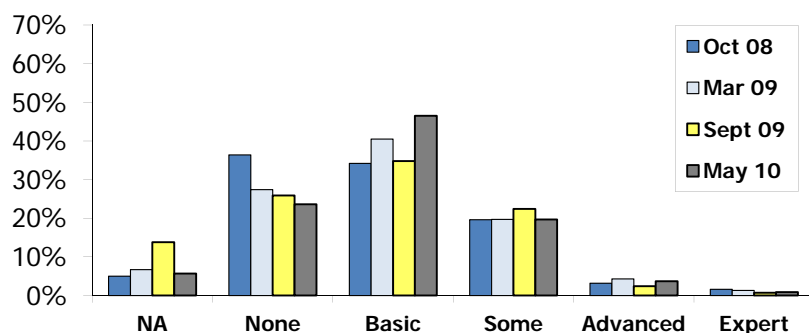
Public Practice Members

Current vs Needed

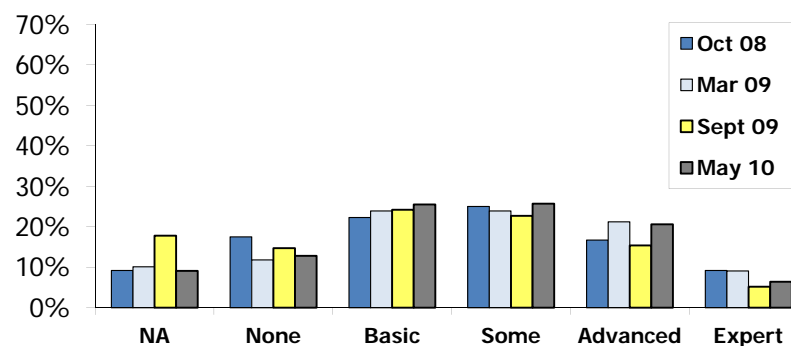


- Members who work for Public Practice continue to have less familiarity with IFRS than they need
- The percentage of members with at least basic familiarity has continued to increase.
- Members expectations for what they think they will need have remained stable

Current Familiarity



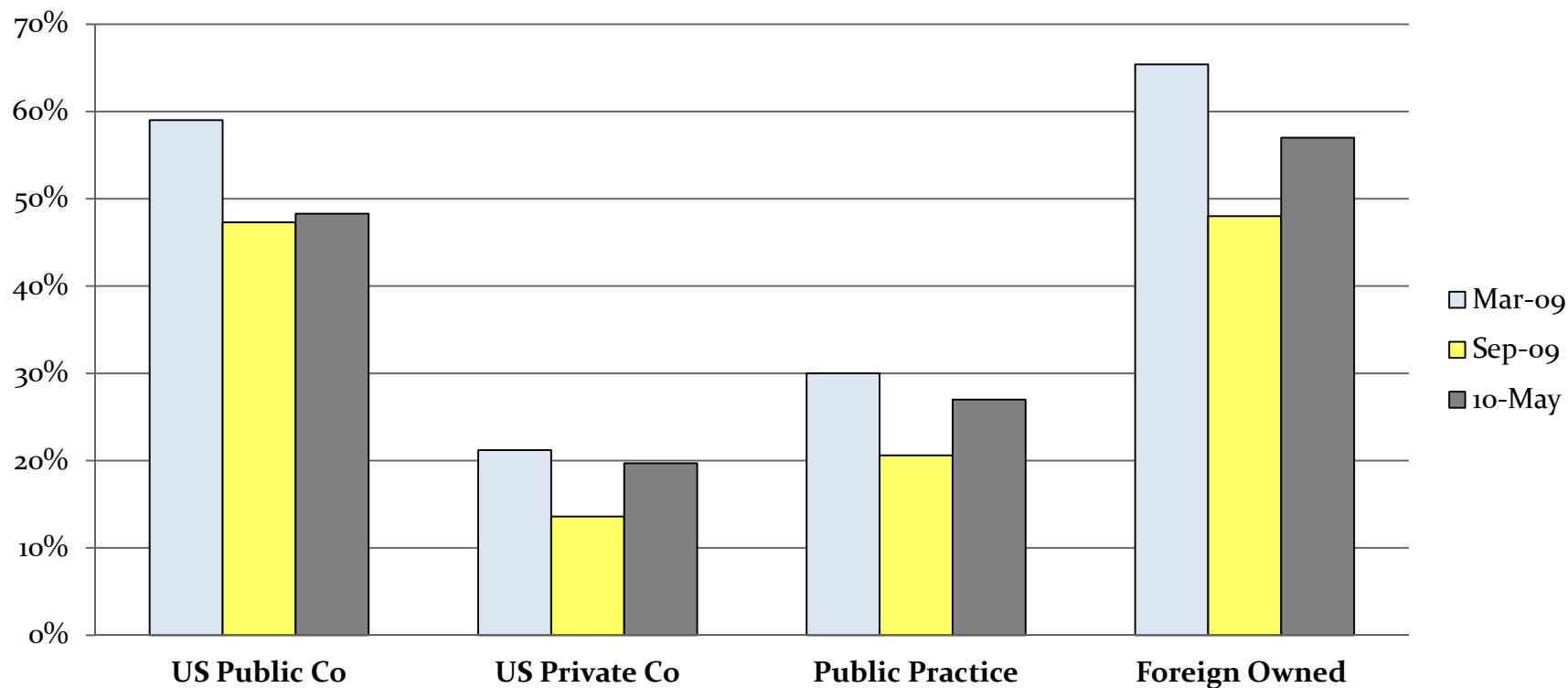
Needed Familiarity



Who Needs Advanced & Expert Knowledge of IFRS?

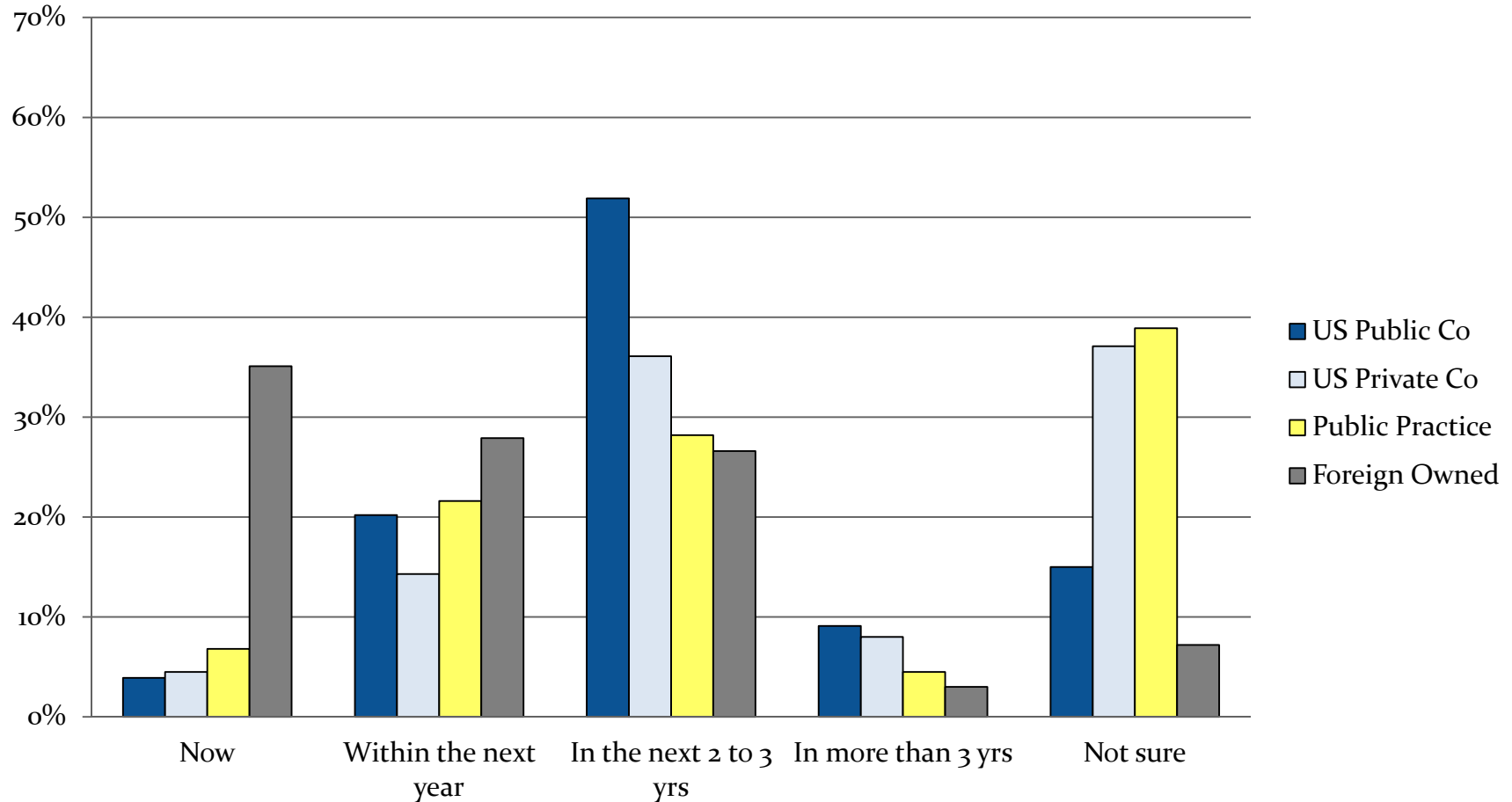
By type of organization

Percent that need Advanced or Expert Knowledge



When is IFRS knowledge Needed?

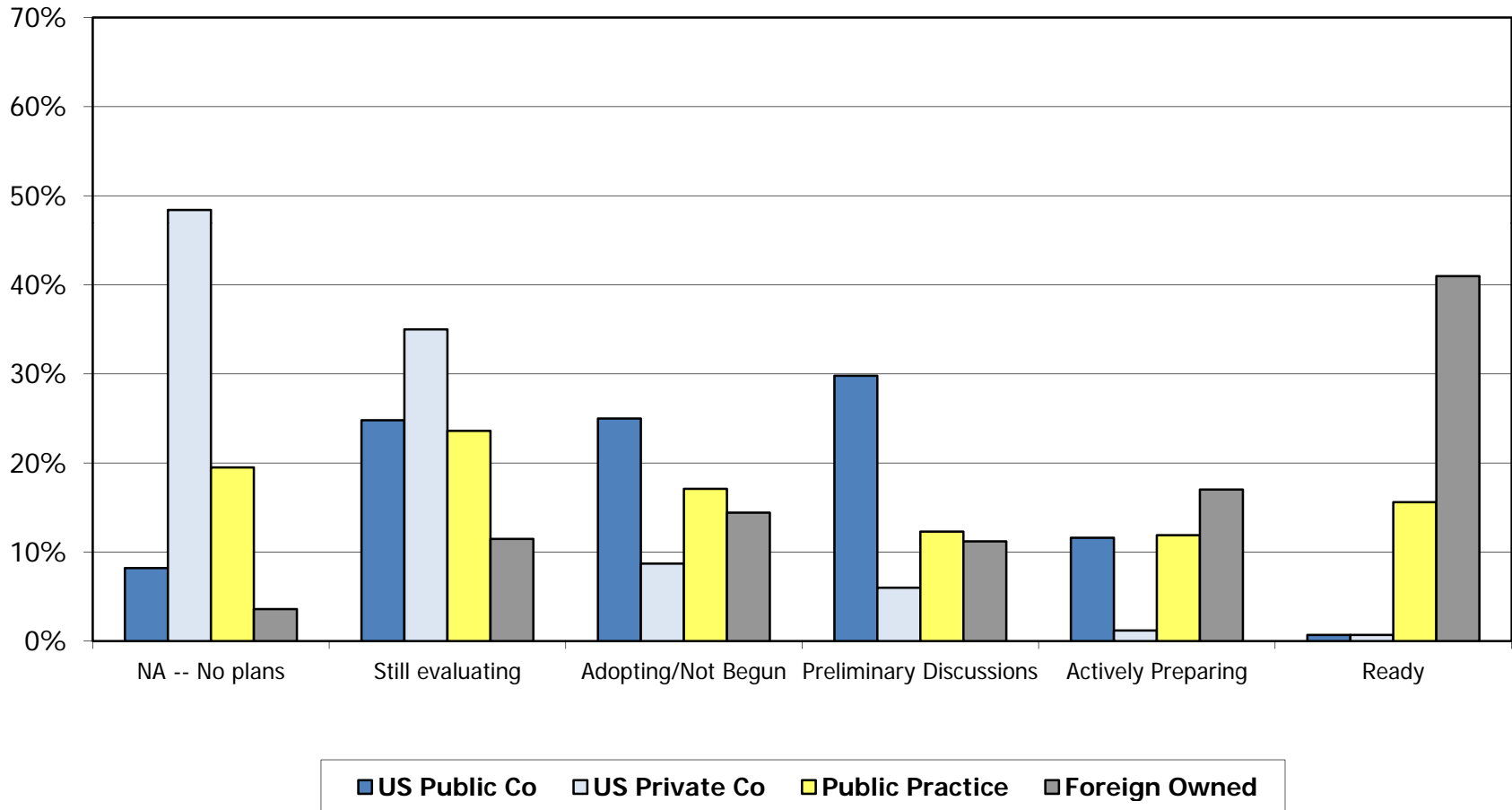
By type of organization



Prepared to Adopt?

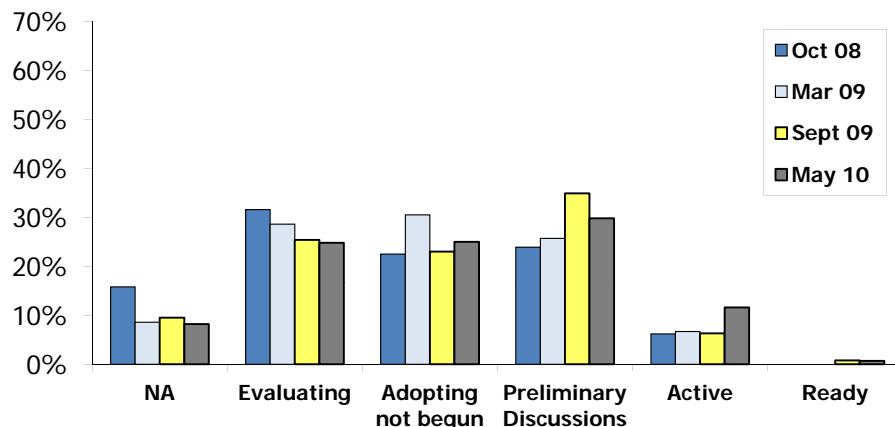
By type of organization

Please rate the extent to which your company (firm) is prepared for IFRS adoption



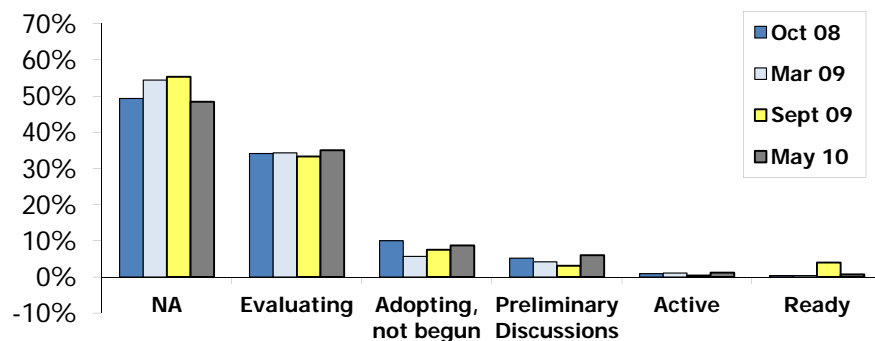
Prepared to Adopt/Support Adoption?

US Public Companies

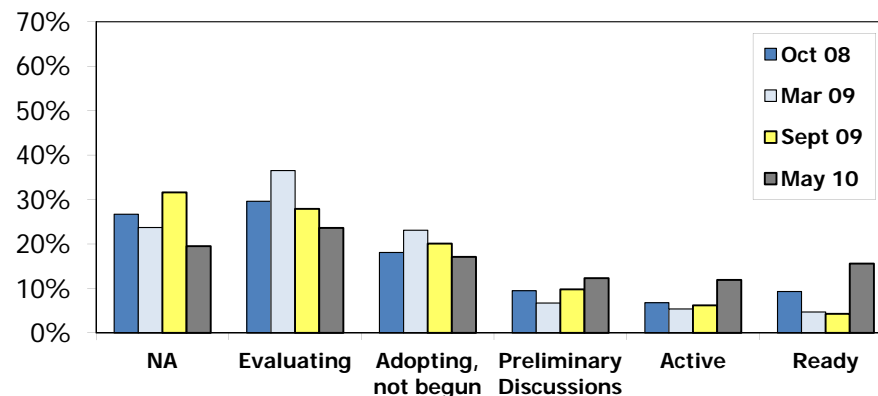


- Most US Public companies have not changed their position
 - The exception is a small number moving into Active Adoption phase
- US Private Companies are still not planning to adopt or only in early stages
- Most public practice firms are still not prepared for IFRS adoption but there has been an increase in the number of respondent who indicate their firm is ready

US Private Companies

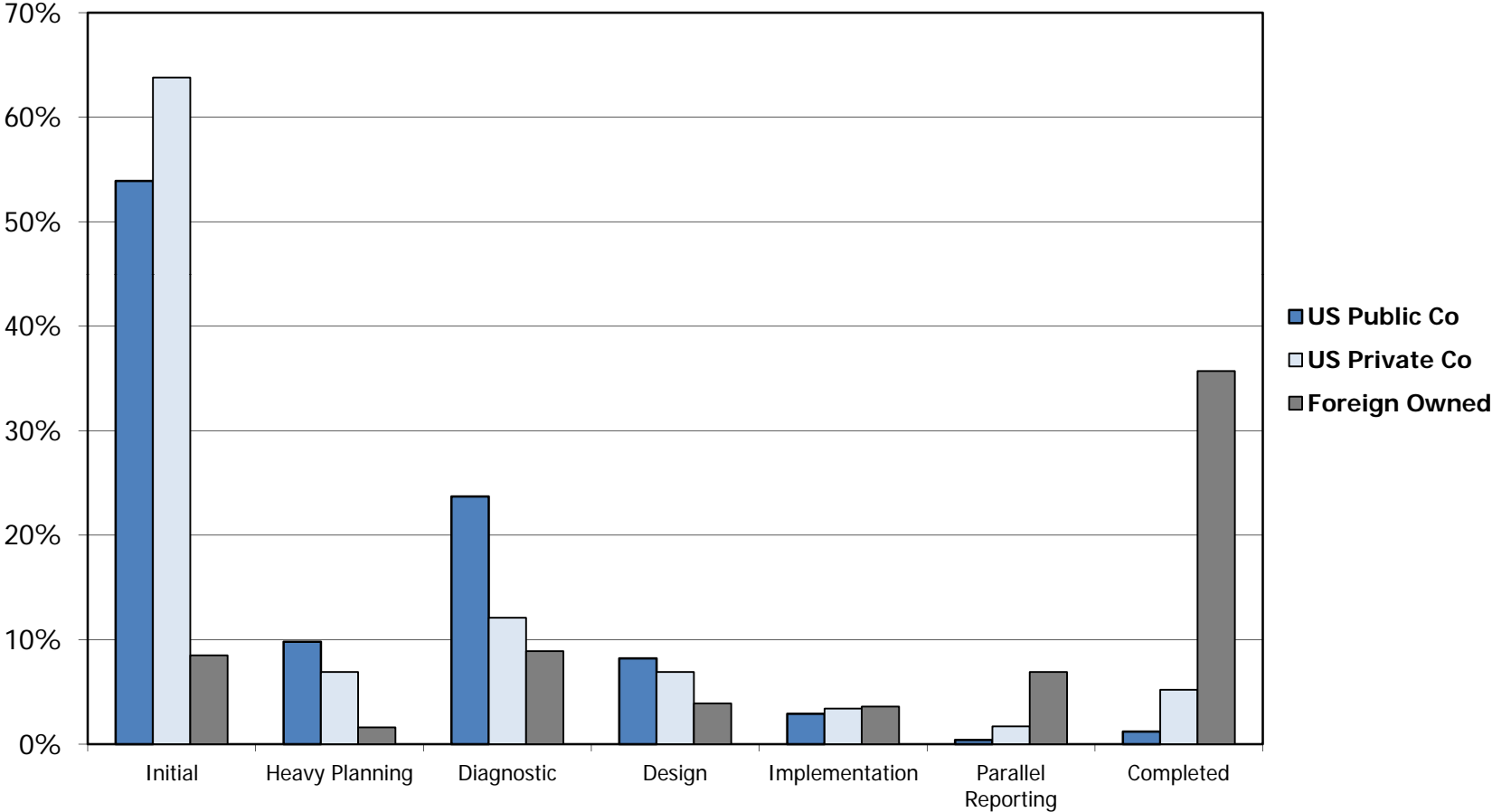


Public Practice



Stage of Transition?

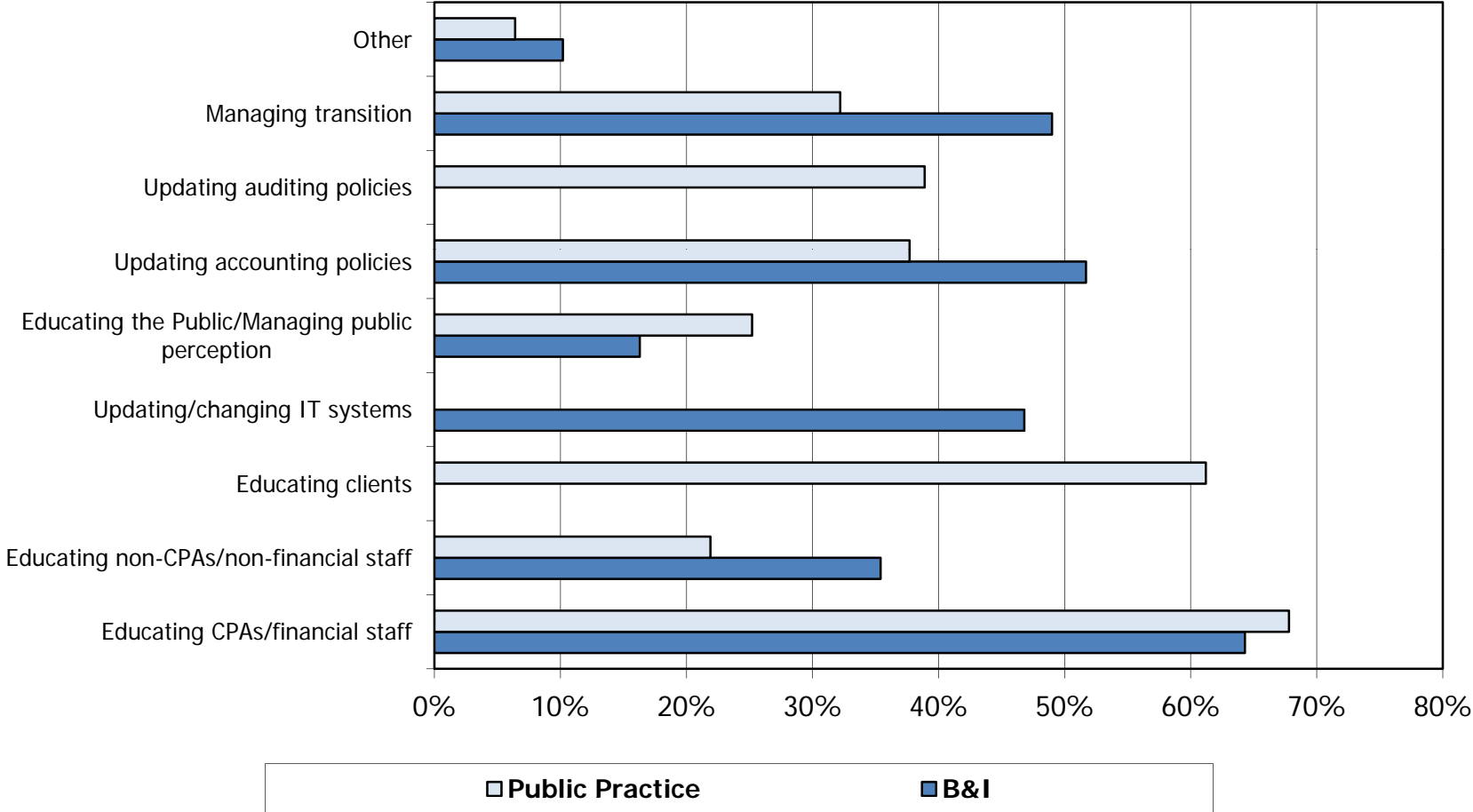
Please select the stage of transition that best describes the status of your implementation. (Asked only of companies in the Preliminary Discussions or Actively Preparing phase)



IFRS Implementation Challenges

All Members

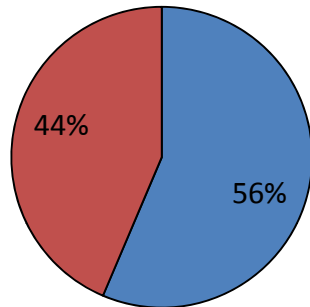
What are the largest challenges that implementing IFRS has presented/will present to your firm/company? (Select all that apply)



IFRS for Small & Medium-sized Entities?

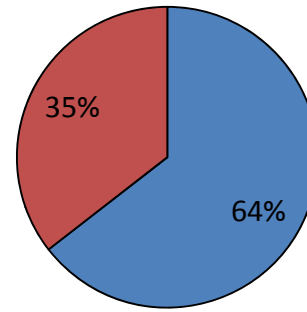
Are you aware that the IASB issued an International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs), which is a simplified, self-contained set of accounting standards designed to meet the financial reporting needs of constituents of private entities?

US Public Companies



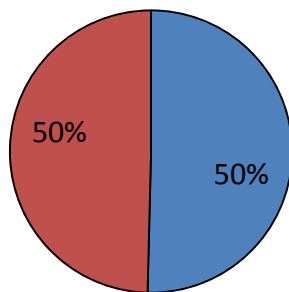
■ Yes
■ No

Foreign-owned Companies



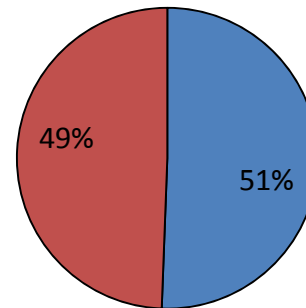
■ Yes
■ No

US Private Companies



■ Yes
■ No

Public Practice

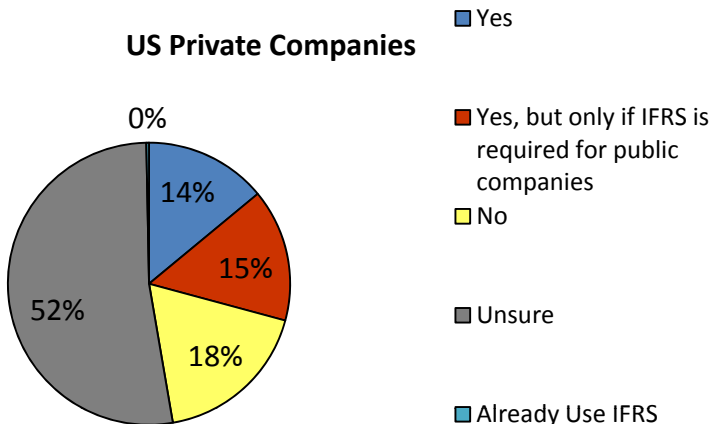


■ Yes
■ No

Adopt IFRS for SMEs?

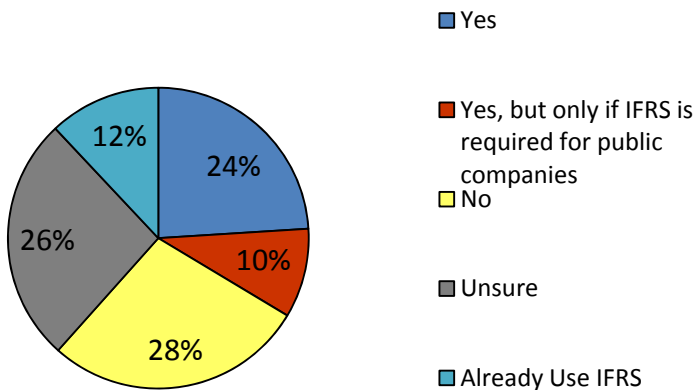
Would you consider adopting/would you advise your clients to consider adopting the IASB's recently issued IFRS for Small and Medium-sized entities?

US Private Companies

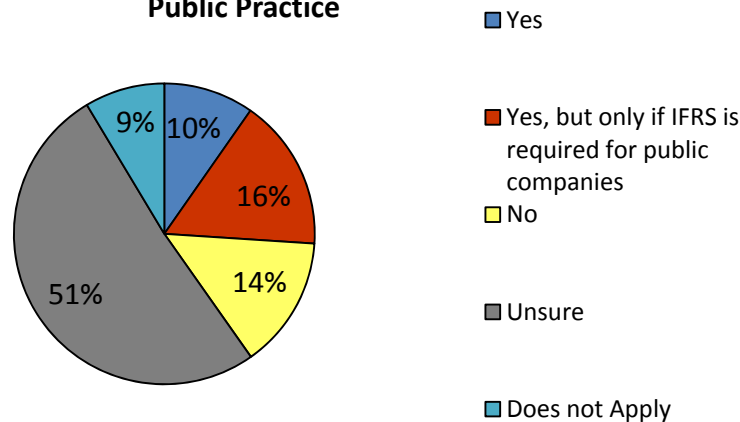


- Most respondents working for US entities are unsure about IFRS for SMEs.
- Respondents working for foreign companies are more certain but are about as equally likely to be positive as to be negative

Foreign-owned Private Companies

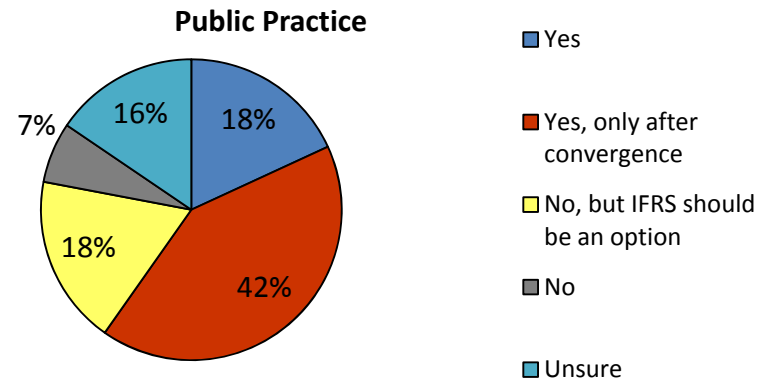
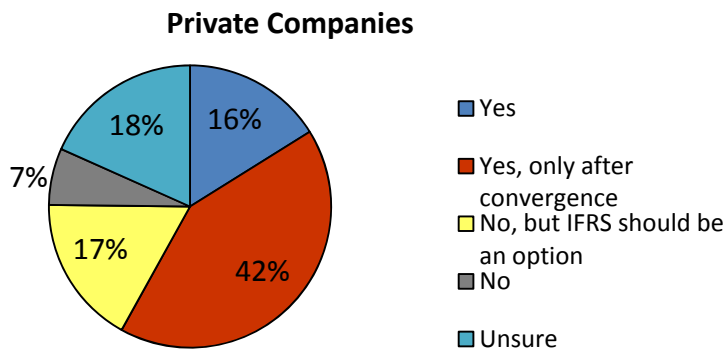
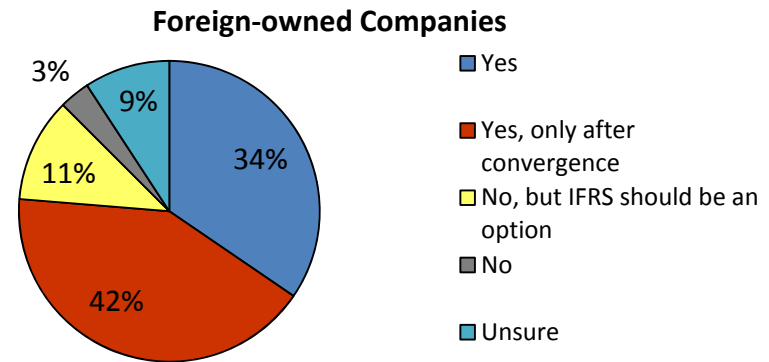
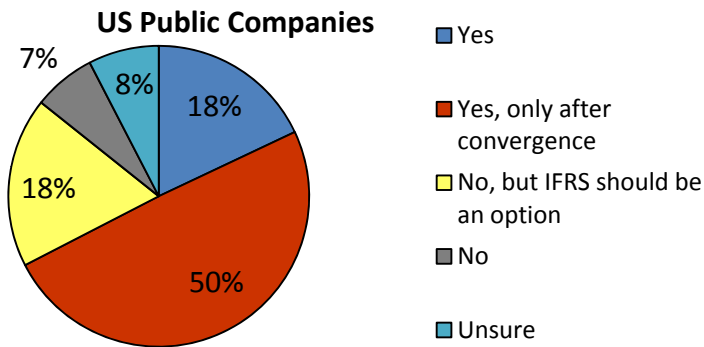


Public Practice



Should the SEC Require Adoption of IFRS?

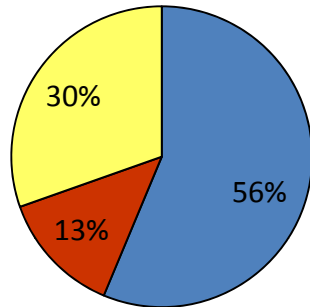
On February 24, 2010, the SEC outlined a work plan for the continued consideration of whether and how to incorporate IFRS into the U.S. issuers. The work plan contemplates a 2011 decision on whether to require or permit IFRS. Do you believe ultimately the SEC should require adoption of IFRS for U.S. public companies?



Does timeline allow enough time for implementation?

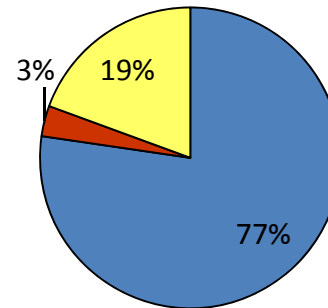
If the SEC makes a decision in 2011 to require or permit use of IFRS for public companies, it believes the first time U.S. companies would report under the system would be 2015 or 2016. Do you believe this timeline will allow enough time for implementation?

US Public Companies



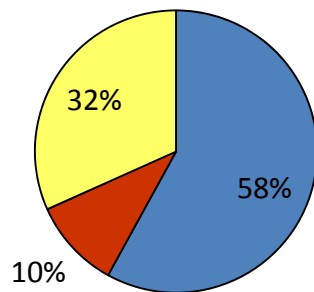
- Yes
- No
- Unsure

Foreign-owned Companies



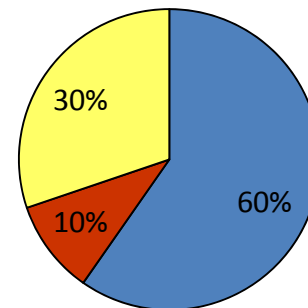
- Yes
- No
- Unsure

US Private Companies



- Yes
- No
- Unsure

Public Practice

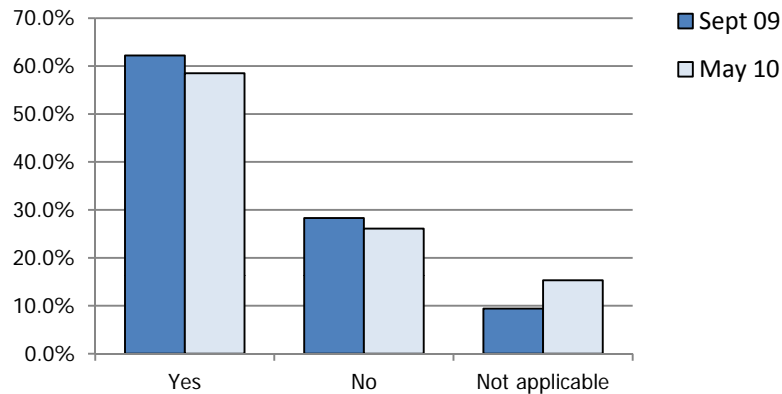


- Yes
- No
- Unsure

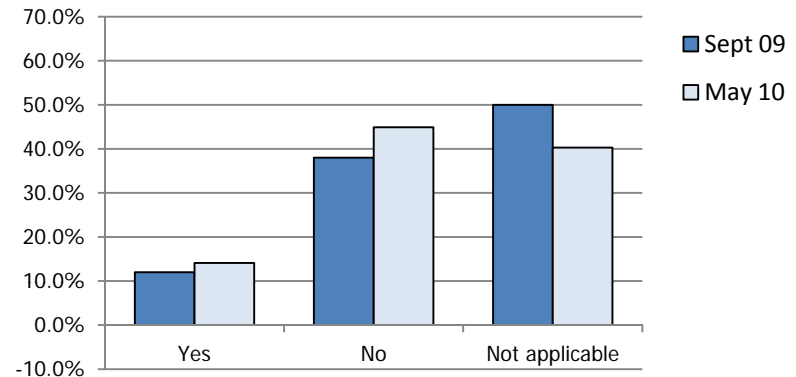
Delaying IFRS Preparations?

Are you delaying IFRS preparations until the SEC announces that it will set a date certain for its adoption in the United States?

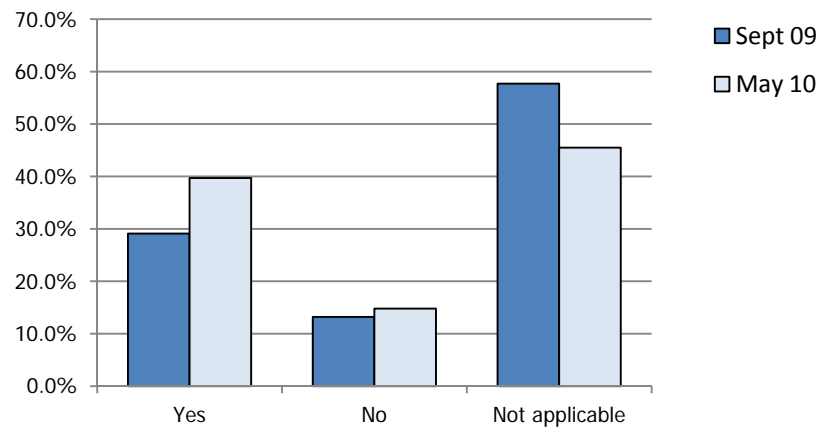
US Public Companies



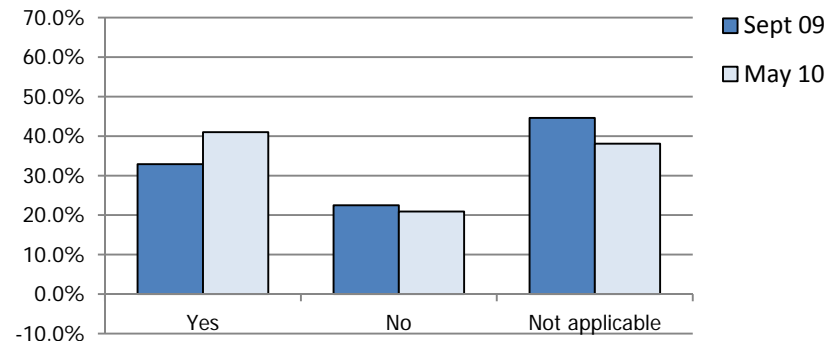
Foreign-owned Companies



US Private Companies



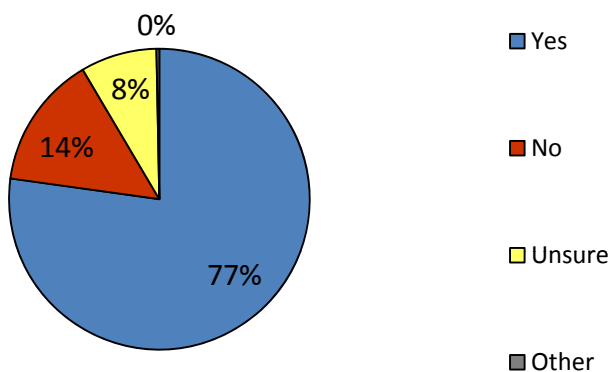
Public Practice



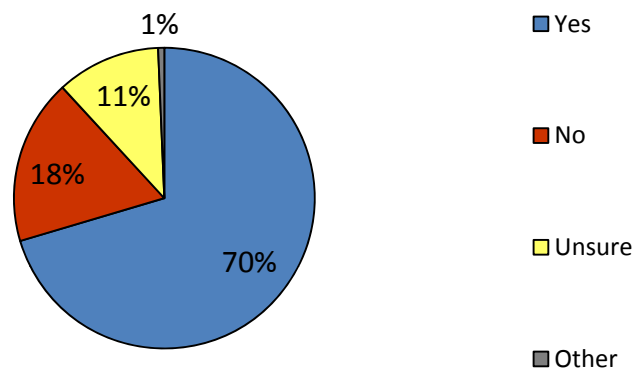
Reaffirmation of convergence?

Are you aware that the International Accounting Standards Board (IASB) and the U.S. financial Accounting Standards Board (FASB) have reaffirmed their commitment of achieving accounting convergence and have agreed to intensify their efforts to complete each major joint project described in their Memorandum of Understanding by June 2011?

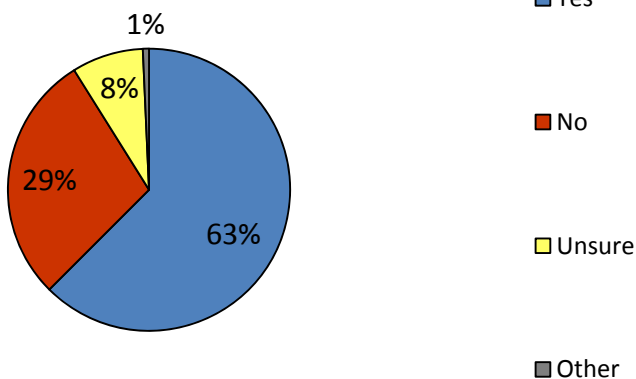
US Public Companies



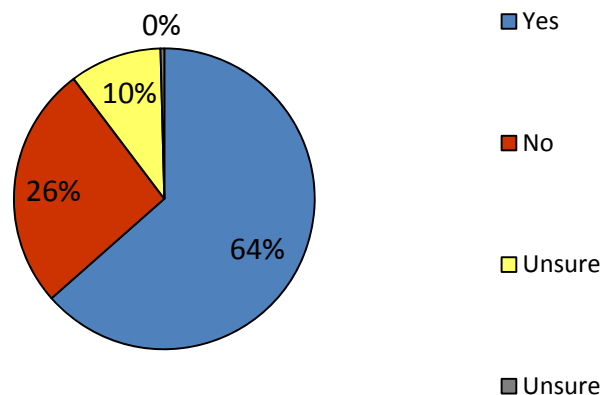
Foreign-owned Private Companies



US Private Companies



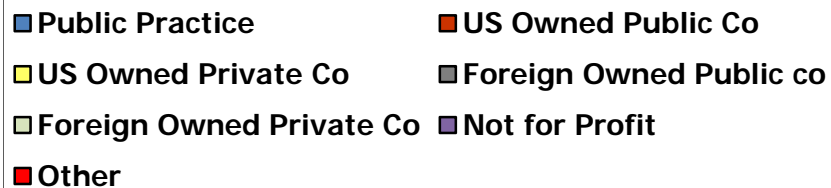
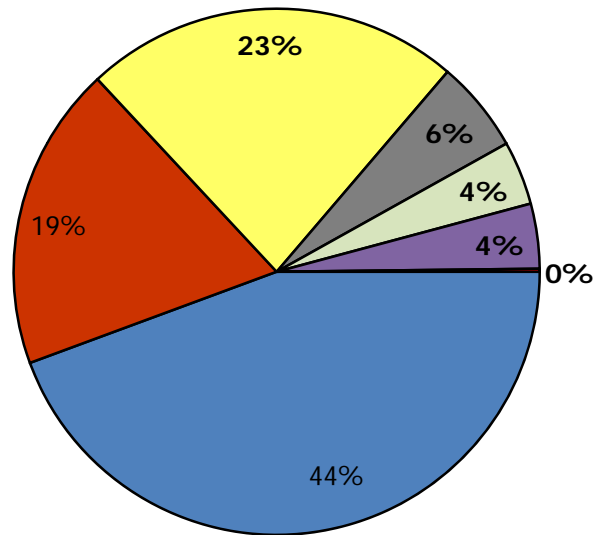
Public Practice



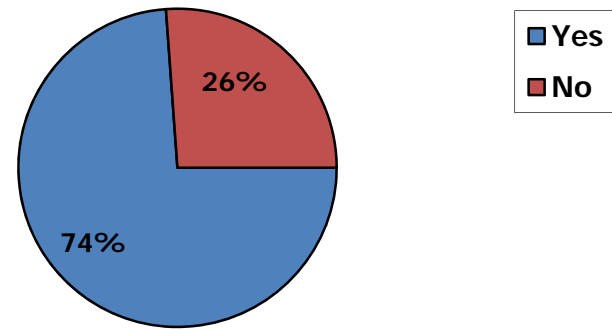
Respondent Demographics

All Members

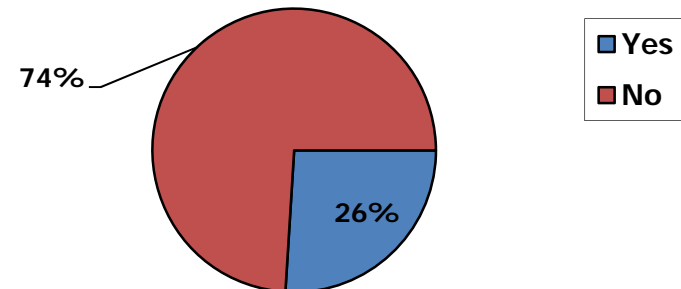
Respondents by Organization Type



Multinational Company (B&I)?

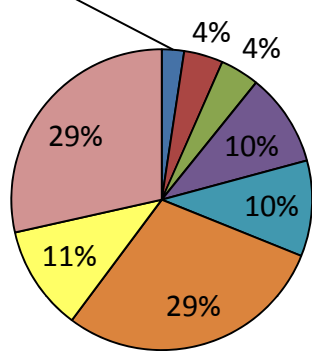


Multinational Firm (PA)?



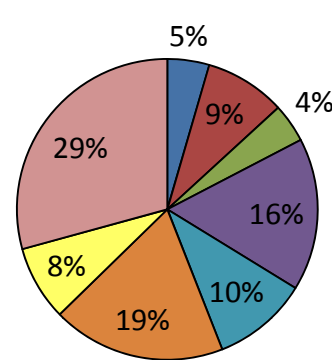
Organization Size

US Public Companies



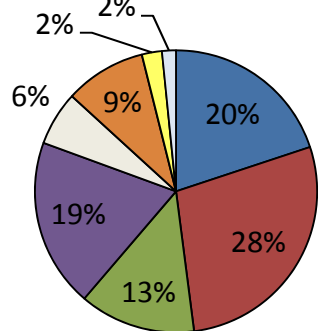
- \$0 to under \$10M
- \$10M to under \$50M
- \$50M to under \$100M
- \$100M to under \$500M
- \$500M to under \$1B
- \$1B to under \$5B
- \$5B to under \$10B
- over \$10B

Foreign-owned Companies



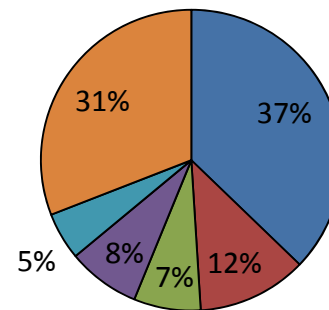
- \$0 to under \$10M
- \$10M to under \$50M
- \$50M to under \$100M
- \$100M to under \$500M
- \$500M to under \$1B
- \$1B to under \$5B
- \$5B to under \$10B
- over \$10B

US Private Companies



- \$0 to under \$10M
- \$10M to under \$50M
- \$50M to under \$100M
- \$100M to under \$500M
- \$500M to under \$1B
- \$1B to under \$5B
- \$5B to under \$10B
- over \$10B

Public Practice



- Less than \$3M
- \$3M to under \$6M
- \$6M to under \$10M
- \$10M to under \$20M
- \$20M to under \$40M
- Over \$40M