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The Committee of European Securities Regulators  
Attn.: Fabrice Demarigny, Secretary General  
11-13 avenue de Friedland  
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8 July 2005  
enj/osj/kf (udv/regu/kor/2005/CESR)

Dear Fabrice Demarigny

#### **CESR Draft Recommendation on Alternative Performance Measures**

On behalf of The Institute of State Authorized Public Accountants in Denmark (FSR), we are pleased to comment on CESR's Draft Consultation Paper regarding – *Recommendation on Alternative Performance Measures* (published on 11 May 2005) – “the Draft”.

The Draft has been discussed at the Danish Accounting Standards Committees June Meeting and the comments are summarized below.

In general, we support the recommendations made in the Draft and agree that further guidance and clearer principles are strongly needed for the appropriate use and presentation of alternative performance measures. We agree with the principle that defined performance measures should always be displayed with greater prominence than alternative performance measures no matter where they are included in the financial statements.

However, we find that preparation of guidance and principles for alternative performance measures should more appropriately be dealt with by the IASB, preferably as part of the project re. Performance Reporting. Therefore, we recommend that CESR encourage the IASB to fast track this project in order to issue further and mandatory principles on this issue.

As EFRAG, we believe, that full benefit from this Draft can only be derived when it is widely adopted and consistently enforced.

Paragraph 23 recommends that the management of the company should consider involving the auditor in relation to alternative performance measures. We agree that the auditor should, to some extent, be involved in the verification of alternative performance measures. However, it is our opinion that the paragraph should be elaborated with a clearer and more precise statement of the degree and form of the auditor's involvement.

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If you would like a further clarification of the points raised in this letter, we would only be happy to discuss these in more detail with you.

Yours sincerely

Eskild Nørregaard Jakobsen  
Chairman of the Accounting  
Standards Committee

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