



May 15, 2008

Mr. Chris Hicks
Principal, Knowledge Development
The Canadian Institute of Chartered Accountants
277 Wellington Street West
Toronto, Ontario
M5V 3H2

Dear Mr. Hicks:

Re: *Improved Communication with Non-GAAP Financial Measures*

The Committee on Corporate Reporting of Financial Executives International Canada (FEI Canada) is pleased to respond to the CICA's Canadian Performance Reporting Board invitation to comment on its draft publication regarding General Principles and Guidance for Reporting EBITDA and Free Cash Flow.

FEI Canada is an all-industry professional association of senior financial executives, with eleven chapters across Canada and more than 2,100 members. FEI Canada provides thought leadership and advocacy services to its members.

The Committee on Corporate Reporting (CCR) is one of two national advocacy committees of FEI Canada. CCR comprises of more than 20 senior financial executives representing a broad cross-section of the Canadian economy who have volunteered their time, experience and knowledge to consider and recommend action on a range of accounting, corporate reporting and disclosure issues.

In general, we are in agreement with the objectives of the guidance and are pleased that the institute is recognizing the importance of these widely used measures. Although we continue to believe that these measures are not and should not be substitutes for GAAP measures of earnings and cash flows, they are becoming increasingly more important to a significant group of users of financial information, namely investors. Thus, these measures are becoming "generally accepted" for publicly accountable entities.

Therefore, general principles that provide guidance to improve the consistency and comparability of financial information, such as, EBITDA and Free Cash Flow, are welcomed. We feel that the recommended practices found in the document



will provide preparers of financial information of publicly accountable entities with guidance on how to report these measures.

We do however have the following concern relating to this document. Although the work is “a step in the right direction”, the application of the guidance is not prescribed by regulators and as such it may not be applied consistently. This would undermine one of the key objectives of the guidance, consistent and comparable financial information. Therefore, we encourage the CPRB to take the guidance to the next level and ask regulators to include it as a requirement for disclosure. This will ensure the recommendations made within the document are taken seriously and applied consistently by all preparers of financial information.

The Committee on Corporate Reporting (CCR) is pleased to have the opportunity to provide our views on this topic and trusts that you find our comments constructive. We would be happy to discuss our comments with you at any time.

Yours truly,

A handwritten signature in black ink, appearing to read 'Alister Cowan', written in a cursive style.

Alister Cowan
Chair, Committee on Corporate Reporting
FEI Canada