

European Financial Reporting Advisory Group
13-14 Avenue des Arts
B-1210 Brussels
Belgium

29 December 2009

Dear EFRAG member

Adoption of IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The global organisation of Ernst & Young is pleased to submit its comments on the European Financial Reporting Advisory Group's (EFRAG) draft endorsement advice on the use of IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (the Interpretation) in Europe (the Invitation to Comment).

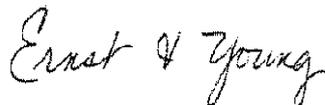
We have read EFRAG's assessment of the application of the above interpretation to companies in Europe and considered only the conclusions contained therein. In this letter we are not commenting on any specific questions raised in the Invitation to Comment.

We provided comments to the International Financial Reporting Interpretations Committee (IFRIC) on the exposure draft in a letter dated 5 October 2009. Substantially, all of our suggestions were followed in the final interpretation and the IFRIC followed the due process as established by the International Accounting Standards Committee Foundation (IASCF).

Ernst & Young supports consistent application of International Financial Reporting Standards (IFRS) globally. As such, we support EFRAG's recommendation that the interpretation be adopted for use in Europe.

Should you wish to discuss the contents of this letter with us, please contact Leo van der Tas at the above address or on +44 (0)20 7951 3152 or Sven Hayn on +49 (0)40 361 32 12277.

Yours faithfully

A handwritten signature in cursive script that reads 'Ernst & Young'.