

Corporate Controlling

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The Secretary General
International Accounting
Standards Committee
167, Fleet Street
GB-London EC4A 2ES

August 20, 1997
AEB/mrn

IMPAIRMENT OF ASSETS - ED 55

Dear Sir,

We appreciate the opportunity to comment on the above mentioned Exposure Draft ("ED"). In general we are in agreement with the proposed Standard and therefore, only comment on the questions where we disagree:

1. We support the approach as stated under 1 (a). Considering a going-concern situation approach (b) seems irrelevant.
2. Yes, we accept present value techniques. However, you would need to provide guidance as to how to calculate cash flows for infrastructure assets, fixed assets that are a small part of a large plant (in our industry very common) and safety and environmental items.
4. For 4 (b) please see our comment under 2.
10. We are not of the opinion that it is realistic to assume that cash flow can be determined for all assets. This would only be possible in theory. We believe that utilisation - especially for infrastructure assets and small parts of large plants - should be also included as an indication whether an impairment adjustment is necessary.
11. No - please refer to our comments above.
13. In principle we do not disagree although guidance is very theoretical.

16-18 We disagree with most of the proposed disclosures. They are far too excessive and do not contribute to a better understanding for a balance sheet reader. In contrary they will cause more confusion.

20. No.

We thank you in advance for your attention and consideration to the above.

Sincerely yours,

"Holderbank"
Management and Consulting Ltd.
Corporate Controlling



T. Aebischer



R. Tosi