



August 9, 2010

Via Email to [director@fasb.org](mailto:director@fasb.org)

FASB Technical Director  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856-5116

Subject: File Reference Number 1790-100

Dear Financial Accounting Standards Board,

Thank you for providing us with the opportunity to comment on ASU “*Statement of Comprehensive Income*”.

XenoPort, Inc. is a publicly held biopharmaceutical company focused on developing a portfolio of internally discovered product candidates that utilize the body’s natural nutrient transport mechanisms to improve the therapeutic benefits of existing drugs.

In relation to the specific questions posed by the Board:

1. We have significant concerns related to the benefits provided by this proposed update and we do not believe that the proposed update enhances either the transparency or comparability of financial statements. While we welcome the ongoing efforts at convergence with IFRS, and we accept that the proposal is substantively only a reorganization of information from one area of the financial statements to another, we raise the following comments and concerns:
  - It is unclear how many users of the financial statements truly understand the concept of comprehensive income or other comprehensive income. In our experience, analysts and investors have a more robust understanding of the net income and earnings-per-share metrics and we believe that inclusion of comprehensive income within the same statement could be more harmful than helpful if it draws attention away from these better-understood metrics.
  - Comprehensive income often includes items with a longer-term or perhaps less recurring component than those included in net income. Less sophisticated users of the financial statements could also be confused by the presentation of these items on the same page as net income and draw inappropriate conclusions from this information.
  - We believe the Board would be better served educating users as to the role of information presented within the statement of other income and its potential usefulness to investors. The information proposed to be included within the statement of comprehensive income already exists elsewhere within the financial statements in an accessible form and we see no advantage from a realignment of geography other than an increase in consistency by eliminating the current optionality of presentation.

2. We agree that if adopted as proposed, the option to report the tax effect either in the statement or the notes should remain. We believe this could prevent unnecessary clutter on the face of a primary statement.
3. We believe that if adopted as proposed, a single line for aggregate reclassification adjustments could be shown either on the face on the statement of comprehensive income or in the notes to the financial statements. The notes could be used as needed thereby reducing unnecessary clutter on the face of a primary statement.
4. We do not expect to incur significant costs implementing this proposed update.
5. We are not aware of any significant operational issues that would cause us significant concern in relation to the effective date of this proposal or its alignment with the effective date of the proposed update to financial instruments.
6. We do not believe the Board should change its guidance on earnings-per-share.

Please feel free to contact us with any questions related to this comment letter.

Yours truly,

/s/ Martyn Webster  
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