

LETTER OF COMMENT NO. 2

February 27, 2007

Mr. Robert H. Herz, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

By email on rhherz@fasb.org

Sir David Tweedie, Chairman
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH, United Kingdom

By email on dtweedie@iasb.org.uk

Dear Mr. Robert Herz and Sir David Tweedie:

Re: Reporting Discontinued Operations

We understand that the FASB and IASB have tentatively agreed to a harmonized definition of discontinued operations where the disposal of a component(s) of an entity would be reported in the discontinued operations section of the financial statements only if that component(s) represents an operating segment, as defined in FASB Statement No. 131, *Disclosures about Segments of an Enterprise and Related Information*.

We also understand that the National Association of Real Estate Investment Trusts (NAREIT) has requested that the FASB and IASB complete the due process with respect to the conclusions reached on the harmonized definition of discontinued operations as a separate project rather than to incorporate these conclusions in the Financial Statement Presentation project.

We have reviewed NAREIT's February 23, 2007 letter to you and urge the FASB and IASB to consider NAREIT's request such that the harmonized definition of discontinued operations be applied as early as possible.

The Voice of Leadership

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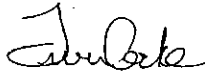
Property Council of Australia

The Property Council of Australia is the representative voice for Australia's \$320bn real estate investment and development industry. Membership ranges from every leading institutional investor, pension fund, property trust (Australia's REITs) and financial organisation to private investors and developers

The Property Council supports the global harmonization of rational accounting standards. Australia is an early adopter of IFRS and has applied these standards beyond the public realm.

The Property Council is working closely with real estate organizations around the world to develop global real estate industry consensus on accounting standards and reporting best practices.

If you wish to discuss this matter further, please do not hesitate to contact us.



Trevor Cooke
Executive Director, Capital Markets
Property Council of Australia