
IAS - 33

Earnings Per Share

International Accounting Standard No. 33 (IAS 33)

Earnings per share

Objective

1. The objective of this Standard is to establish principles for determining and presenting the figure of earnings per share of the entities whose purpose is to improve the comparison of performance between different entities in the same year and between years for the same entity. Although the rates of earnings per share have limitations because of different policies that can be used to determine the "gain", using a denominator calculated consistently improves the financial information provided. The focus of this standard is the establishment of the denominator in calculating earnings per share.

Scope

2. **This Standard applies**

(a) the separate financial statements of an entity or individual:

(i) whose ordinary shares or potential ordinary shares are traded on a public market (stock exchange or national market or foreign organizations, including local and regional markets), or

(ii) to register or is in process of recording their statements in a securities commission or other regulatory organization, to issue shares in a public market, and

(b) to the consolidated financial statements of a group with a dominant

(i) whose ordinary shares or potential ordinary shares are traded on a public market (stock exchange or national market or foreign organizations, including local and regional markets), or

(ii) to register or is in process of recording their statements in a securities commission or other regulatory organization, to issue shares in a public market.

3. **Any entity submitting the earnings per share figure, the calculated and presented in accordance with this Standard.**
4. **In the event that an entity separate financial statements and consolidated financial statements in accordance with IAS 27 Consolidated and separate financial statements, disclosures of information required by this Standard shall be binding only with reference to the consolidated information. The entity chooses to disclose earnings per share in its separate financial statements, only that amount**

in its present state of the overall result. Therefore, the entity does not submit the information on previous earnings per share in the consolidated financial statements.

4A. If an entity presents the components of the result in a separate income statement as described in paragraph 81 of IAS 1 (revised 2007), will present earnings per share only in that state alone.

Definitions

- 5. The following terms are used in this Standard with the meanings specified below:**

Anti is the increase in earnings per share or the reduction in losses per share by assuming that convertible instruments are converted, that options or warrants to subscribe for securities (warrants) will be exercised or shares to be issued Ordinary, if the conditions provided.

Agreement terms of issue of shares is an agreement to issue shares that is dependent on the fulfillment of certain predetermined conditions.

Issuance of shares are subject to be issued ordinary shares in exchange for a payment in cash or little or no contribution from another, provided they satisfy the predetermined conditions in a conditional agreement to issue shares.

Dilution is a reduction in earnings per share or increase loss per share resulting from the assumption that convertible instruments are converted, that options or warrants to subscribe for securities (warrants) will be exercised or to be issued ordinary shares, if the conditions provided.

Options, warrants to subscribe for securities (warrants) and their equivalents are financial instruments that grant the holder the right to purchase ordinary shares. Ordinary share is an equity instrument that is subordinate to all other classes of equity instruments.

Potential ordinary share is a financial instrument or other contract that may entitle its holder to receive shares.

Put options on ordinary shares are contracts that give the holder the right to sell shares for a specified price during a fixed period.

- 6. The ordinary shares participate in profit for the period just after they have made other types of actions such as preference shares. An entity can have more than one class of ordinary shares. The shares of the same class have the same right to receive dividends.**

7. Examples of potential ordinary shares are:
 - (a) a liability or equity, including preferred shares that are convertible into ordinary shares;
 - (b) options and warrants to subscribe for securities (warrants);
 - (c) shares to be issued in the event that the conditions of contractual agreements, such as buying a business or other assets.
8. The terms defined in IAS 32 Financial Instruments: Presentation are used in this Standard with the meanings set out in paragraph 5 of IAS 32, unless otherwise indicated. IAS 32 defines financial instrument, financial asset, financial liability, equity instrument and the fair value and provides guidelines for applying these definitions.

Ratings

Basic earnings per share

9. **The institution shall calculate the amount of basic earnings per share results for the period attributable to holders of ordinary equity instruments of the parent and, where appropriate, on the outcome of the exercise of the continuing activities attributable to such holder equity instruments.**
10. **The basic earnings per share are calculated by dividing the result for the year attributable to holders of ordinary equity instruments of the dominant (the numerator) by the weighted average shares outstanding (denominator) during the year.**
11. Earnings per share basic aim to provide a measure of the share of each ordinary share of dominant performance that the organization has had in the year under report.

Earnings

12. To calculate basic earnings per share, amounts attributable to holders of ordinary equity instruments of the parent with respect to:
 - (a) the result of the exercise of the continuing activities attributable to the parent and
 - (b) the result for the period attributable to the parent

figures are collected in (a) and (b) Adjusted after-tax amounts of preference dividends, differences arising from the cancellation of preferred shares and other similar effects

caused by the preference shares classified as equity.

13. All items of income and expenses attributable to holders of ordinary equity instruments of the parent to be recognized in a period, including tax expense and dividends on preferred shares classified as liabilities, are included in determining the outcome the period attributable to holders of ordinary equity instruments of the dominant (see IAS 1).
14. The after-tax amounts of preference dividends to be subtracted from the result of the exercise are:
 - (a) the after tax amount of any dividend to preferential non-cumulative preference shares in the period recognized and
 - (b) the after tax amount of preference dividends for cumulative preference shares for the period, whether the dividends have been agreed upon as if they were not. The amount of preference dividends for the period does not include the amount of any dividend cumulative preferred shares paid or agreed to during the period but corresponding to previous periods.
15. The preferred shares that provide a low initial dividend to compensate the entity for the placement of preference shares at a discount or a dividend in excess of the market in subsequent periods in order to compensate investors for the purchase of shares preference premium, are usually referred to as increasing rate preference shares. Any original issue discount or premium on increasing rate preference shares will be redeemable against retained earnings using the effective interest method, and will be treated as a preference dividend for the purposes of calculating earnings per share.
16. The preference shares can be repurchased by the holders to purchase a public offering of shares. The excess of the fair value of the amount paid to preference shareholders on the amount of preference shares, representing a yield to holders of preference shares and a charge to earnings of the entity. This amount will be deducted when calculating income for the year attributable to holders of ordinary equity instruments of the parent.
17. The early conversion of preferred stock convertible could be induced by the entity through swaps more advantageous than the terms of the original conversion, or by paying additional amounts. The excess of the fair value of ordinary shares or other amount paid over the fair value of the shares subject to issuance under the original terms of conversion shall be deemed performance by preference shareholders, and will be deducted in the calculation of the period attributable to holders of ordinary equity instruments of the parent.
18. Any excess amount of the preference shares on the fair value of the amount paid for cancellation is added to the calculation of the period attributable to holders of ordinary equity instruments of the parent.

Actions

- 19. To calculate basic earnings per share, the number of ordinary shares is the weighted average number of ordinary shares outstanding during the period.**
20. Through the application of the weighted average number of ordinary shares outstanding during the period, reflecting the possibility that the amount of capital allocated to shareholders has varied over the same, because at some point the number of shares outstanding is higher or lower. The weighted average number of ordinary shares outstanding during the period the number of shares outstanding at the beginning of the period, adjusted for the number of ordinary shares issued or withdrawn during the same weighted by a factor that takes into account the While the shares have been issued or withdrawn. This time factor is the number of days the shares have been in circulation, calculated as a proportion of total days of the year, although in certain circumstances it may be appropriate to use a reasonable approximation of the weighted average.
21. Actions normally be included in the weighted average from the time the contribution is actually due (which usually coincide with the date of issuance), for example:
- (a) ordinary shares with payment in cash are included when cash is required;
 - (b) ordinary shares issued by the voluntary reinvestment of dividends from ordinary shares or preference, shall be included when the agreement reinvestment of such dividends;
 - (c) ordinary shares issued as a result of converting a liability into ordinary shares, are included from the time they cease the accrual of interest associated with debt;
 - (d) ordinary shares issued in exchange for the interest or principal on other financial instruments, are included from the time they cease the accrual of the interest concerned;
 - (e) ordinary shares issued for the cancellation of a debt of the entity are included from the date of cancellation of the same;
 - (f) ordinary shares issued as consideration in the acquisition of an asset other than cash, will be included since they count the acquisition and
 - (g) ordinary shares issued in exchange for providing services to the entity, will be included as such services are rendered.

The date of the inclusion of ordinary shares is determined according to the terms and conditions of issuance. It will also take into account the substance of any contract associated with the broadcast.

22. The ordinary shares issued as part of the consideration in a business combination are included in the weighted average number of shares from the date of acquisition because the acquirer will incorporate the results of the acquired in your account results from that date.
23. That are included in the calculation of basic earnings per share of common stock to be issued for the conversion of a mandatorily convertible instrument, from the date the contract is signed.
24. The actions of conditional release shall be treated as outstanding shares and included in the calculation of basic earnings per share only from the date on which all the conditions required (i.e., that events have taken place). Shares whose issuance depends only on the passage of time will not be issuing shares of restricted, because the passage of time is a certainty. The shares outstanding that are subject to recovery (i.e., subject to recovery) is not treated as outstanding shares and will be excluded from the calculation of basic earnings per share until the date on which the shares are no longer susceptible definitely recovery.
25. [Deleted]
26. The weighted average number of ordinary shares outstanding during the period and during all periods for which information is adjusted by the facts, other than the conversion of potential ordinary shares, which have changed the number of shares outstanding without carrying a change in resources.
27. The ordinary shares may be issued or the number of shares outstanding may be reduced without a change taking place simultaneously in the resources. Some examples are:
- (a) a capitalization of earnings or issuing a free (known in some countries as a dividend in the form of shares);
 - (b) a rebate on any other issue, for example a reduction in the issue price of subscription rights for existing shareholders;
 - (c) a split of shares, and
 - (d) a reverse split of shares (group actions).
28. In a capitalization of profits or an emission free, as well as a splitting of shares, ordinary shares offered to existing shareholders without any consideration. Therefore, the number of shares outstanding will increase without an increase in resources. The number of shares outstanding before the transaction in question, shall be adjusted by the proportional change in the number of shares outstanding as if such transaction had

occurred at the beginning of the first period for which financial information is presented. For example, in a broadcast free on the ratio of two for each share of old, the number of shares outstanding before the issue is multiplied by three to obtain the total number of new ordinary shares, or two to get the number additional ordinary shares.

29. A group of ordinary shares generally will reduce the number of shares outstanding, which are without a reduction in resources. However, when the overall effect is a buyback of shares at fair value, the reduction in the number of shares outstanding will result from the corresponding reduction in resources. An example is a group of actions associated with a special dividend. The weighted average number of ordinary shares outstanding during the period in which the joint transaction takes place, will be adjusted by the reduction in the number of ordinary shares from the date the special dividend is recognized.

Diluted earnings per share

- 30. The institution shall calculate the amounts of the diluted earnings per share result for the period attributable to holders of ordinary equity instruments of the dominant, if the result of the exercise of the continuing activities attributable to holders of such instruments equity.**
- 31. To calculate diluted earnings per share, the entity shall adjust the income for the year attributable to holders of ordinary equity instruments, and the weighted average number of shares outstanding for all purposes associated with the dilutive potential ordinary shares.**
32. The objective of diluted earnings per share is the same as the basic earnings per share, giving a measure of the share of each ordinary share in the income of the entity, but taking into account the dilutive effects inherent to the actions potential ordinary outstanding during the year. As a result of the above:
- (a) the result for the period attributable to holders of ordinary equity instruments will increase the amount of dividends and interest, after tax, recognized in the period for a stock with potential dilutive effect, and shall comply any other change in income and expenses which might result from the conversion of potential ordinary shares with a dilutive effect and
 - (b) the weighted average number of shares outstanding is increased by the weighted average number of additional ordinary shares in circulation would have been if they had converted all potential ordinary shares with dilutive effect.

Earnings

- 33. To calculate diluted earnings per share, the entity shall adjust the income for the year attributable to holders of ordinary equity instruments of the parent,**

calculated in accordance with paragraph 12, for the effect, net of tax of:

(a) the amount of dividends or other items associated with potential ordinary shares with dilutive effect that has been deducted to obtain the result for the period attributable to holders of ordinary equity instruments of the parent, calculated in accordance with paragraph 12;

(b) any right recognized in the period to exercise stock with potential dilutive effect, and

(c) any other change in income or expenses in the period that would result from the conversion of potential ordinary shares with a dilutive effect.

34. After the potential ordinary shares into ordinary shares, the items identified in paragraph 33 (a) to (c) not appear again. In contrast, the new ordinary shares will be entitled to participate in the result for the year attributable to holders of ordinary equity instruments of the parent. Therefore, the result for the period attributable to holders of ordinary equity instruments of the parent, calculated in accordance with paragraph 12, be adjusted by the items identified in paragraph 33 (a) to (c) and the effect tax partner. The costs associated with potential ordinary shares include transaction costs and discounts accounted for in accordance with the effective interest method (see paragraph 9 of IAS 39 Financial Instruments: Recognition and Measurement, revised 2003).
35. The conversion of potential ordinary shares may induce changes in income or expenditure. For example, reduced interest expense associated with potential ordinary shares and the consequent increase in the gain or loss on the decline, could lead to increased costs associated with the plan of participation of non-discretionary employee profit . To calculate diluted earnings per share, the result for the period attributable to holders of ordinary instruments of the parent's net assets, adjusted by any changes in income or expenditure.

Actions

36. **To calculate diluted earnings per share, the number of ordinary shares is the weighted average number of ordinary shares calculated in accordance with paragraphs 19 and 26, plus the weighted average number of ordinary shares that would be issued in case of making all potential ordinary shares with effect dilutive ordinary shares. Potential ordinary shares with dilutive effect is understood to have been converted into ordinary shares at beginning of period or, if later, at the date of issue of potential ordinary shares.**
37. The potential ordinary shares with dilutive effect will be determined separately for each period under report. The number of potential ordinary shares with dilutive effect, including in the intervening period to date is not equal to the weighted average number

of ordinary shares including potential dilutive effect on the computation of each interim period.

38. The potential ordinary shares weighted for the time they are in circulation. Potential ordinary shares that are canceled or whose exercise was ceased during the prescribed period shall be included in the calculation of diluted earnings per share only for the period in which they were outstanding. Potential ordinary shares that were converted into ordinary shares during the period are included in the calculation of diluted earnings per share since the beginning of the period until the date of conversion, from the date of conversion; the shares will be available in the calculation of earnings per share both basic and diluted.
39. The number of shares to be issued by the conversion of potential ordinary shares with dilutive effect will be determined depending on the conditions of potential ordinary shares. Where there is more than a base for conversion, will be used in calculating the exchange ratio or exercise price more advantageous to the holder of potential ordinary shares.
40. A dependent, joint venture or associate may issue to parties other than the parent of a participant or investor potential ordinary shares that are convertible into ordinary shares of the subsidiary, the joint venture or associate, or ordinary shares of dominant partner or the investor (which are, for these purposes, the entities that have the financial statements). If these potential ordinary shares of the subsidiary, the joint venture or associate have a dilutive effect on basic earnings per share of the entity submitting the financial statements are included in the calculation of diluted earnings per share.

Potential ordinary shares with dilutive effect

41. The potential ordinary shares are treated as dilutive when, and only when, their conversion into ordinary shares could reduce earnings per share or increase loss per share from continuing activities.
42. An entity shall use the result of the exercise by continuing activities attributable to the dominant figure of the control to determine whether potential ordinary shares are dilutive or antidilutive. The result of the exercise of the continuing activities attributable to the parent will be adjusted in accordance with paragraph 12 and excludes items related to activities in the final interruption or discontinued.
43. The potential ordinary shares are antidilutive when converted into ordinary shares could lead to an increase in earnings per share or a reduced loss per share from continuing activities. The calculation of diluted earnings per share does not assume conversion, exercise or other issuance of shares that could have a potential antidilutive effect on earnings per share.

44. In determining whether potential ordinary shares are dilutive or antidilutive, each issue or each series of potential ordinary shares shall be considered independent of the others. The order in which they are considered potential ordinary shares may affect their qualification as dilutive or not. Therefore, to maximize the dilution of basic earnings per share, each issue or series of potential ordinary shares shall be deemed in order, from the most dilutive to least dilutive, i.e. potential ordinary shares with dilutive effect with the least " additional earnings per share is included in the calculation of earnings per share dilutive effect than those with a greater profit for further action. The options and warrants to subscribe for securities (warrants) will usually be included first, since it does not affect the numerator in the calculation.

Options, warrants to subscribe for securities (warrants) and their equivalents

45. To calculate diluted earnings per share, an entity is presumed to exercise the options and warrants to subscribe for securities (warrants) with dilutive effect of the entity. It is considered that the alleged amounts of these instruments, to proceed with the issuance of common shares are equal to the average market price during the same period. The difference between the number of common shares issued and the number of shares that were issued to the average market price of ordinary shares during the period, is treated as an issue of ordinary shares gratuitously.

46. Options and warrants to subscribe for securities (warrants) are dilutive effect when they are derived from the issuance of ordinary shares for an amount less than the average market price of ordinary shares during the period. The amount of dilution is the average market price of ordinary shares during the period minus the issue price. Therefore, in calculating diluted earnings per share, potential ordinary shares are treated as if they were composed of:

(a) A contract to deliver a certain number of shares to its average market price during the year. These shares are presumed to be reasonably valued and have no dilutive effect or antidilutive are ignored in calculating diluted earnings per share.

(b) A contract to issue the remaining ordinary shares gratuitously. These shares do not generate any income and have no effect on the result for the period attributable to ordinary shares in circulation. Therefore, these shares are dilutive effect and added to the number of shares outstanding for calculating diluted earnings per share.

47. Options and warrants to subscribe for securities (warrants) will have a dilutive effect only when the average market price of ordinary shares during the period exceeds the exercise price of options or warrants to subscribe for securities (i.e. exercise price are favorable or positive intrinsic value). Earnings per share presented in prior periods are not retroactively adjusted to reflect changes in the price of ordinary shares.

47A. For the stock options and other agreements to share-based payments covered by IFRS 2 Share-based Payment, the issue price referred to in paragraph 46, and the exercise price referred to in paragraph 47, include the fair value of the goods or services to be supplied to the entity in the future, under the stock option agreement or other agreement of share-based payment.

48. To calculate diluted earnings per share, stock options for employees with fixed or determinable and revocable by the ordinary shares subject to conditions, are treated as options, although the condition giving rise to the consolidation of rights can be contingent. Be treated as if they were outstanding from the date it is awarded. Stock options for employees based on certain criteria of performance or productivity measures are treated as conditional release, because its release is conditional on the passage of time and that the conditions specified.

Instruments convertible

49. The dilutive effect of convertible instruments will be reflected in diluted earnings per share in accordance with paragraphs 33 and 36.
50. The convertible preference shares will have antidilutive when the amount of dividends on such shares declared during the current period or accrued to him by ordinary share that would result from the conversion exceeds basic earnings per share. In the same way, the convertible debt will take effect when the antidilutive interest (net of taxes and other changes in income or expenditure) per common share that would result in the conversion exceeds basic earnings per share.
51. Depreciation or induced conversion of convertible preferred shares may affect only a portion of the convertible preference shares previously outstanding. In these cases, any additional disbursement referred to in paragraph 17 is attributed to those shares that are redeemed or converted to determine whether the remaining outstanding shares are dilutive effect. Shares redeemed or converted are considered independent of those that are not redeemed or converted.

Shares of conditional release

52. To calculate basic earnings per share, the shares of conditional release shall be treated as if they were outstanding and included in the calculation of diluted earnings per share if the conditions (i.e., if events have taken place). Shares of conditional release will be included from the beginning of the period (or from the date of issuance of the conditional agreement, if later). If conditions are not met, the number of shares subject to issuance, including the calculation of diluted earnings per share is based on the number of shares to be issued if the end of the period coincided with the end of the period for compliance of conditions. Restatement is not permitted in the event that has not been met, once the period for the conditional release.

53. If the condition for the issuance of shares is conditional on reaching or maintaining a certain amount of earnings in the period, and this amount has been reached at the end of the period under report, but must be maintained for some period of extra time, the Additional shares will be treated as if they were outstanding for calculating diluted earnings per share, provided that the effect is dilutive. In this case, the calculation of diluted earnings per share is based on the number of shares to be issued if the amount of earnings at the end of the period under report were the amount of earnings at the end of period for the condition. As the gain can change in a future period, the calculation of basic earnings per share does not include shares of such conditional release until the end of the period established for the condition, because until then they will have fulfilled all the conditions.
54. The number of shares of conditional release may depend on the future market price of ordinary shares. In this case, if the effect is dilutive, the calculation of diluted earnings per share is based on the number of shares to be issued if the market price at the end of the period under report, the market price was at the end of the period prescribed for the condition. If the condition is based on an average market price over a period of time that extends beyond the end of the period under report, use the average of the period already elapsed. As the market price may change in future periods, the calculation of basic earnings per share will not include the issuance of common stock subject to the end of the period provided for the condition, because until then they will have fulfilled all the conditions.
55. The number of ordinary shares in issue would depend upon future earnings and future prices of the shares. In this case, the number of ordinary shares in calculating diluted earnings per share is based on both conditions (i.e., the gains to date and the current market price at the end of the reporting). The shares of conditional release are not included in the calculation of diluted earnings per share unless both conditions are met.
56. In other cases, the number of ordinary shares in issue will depend on a subject other than earnings or market price (for example, opening a number of retail outlets). In such cases, assuming the current status of the condition will remain until the end of the period prescribed for the condition, the ordinary shares of conditional release will be included in the calculation of diluted earnings per share in accordance with the existing situation at the end of the period under report.
57. The potential ordinary shares of conditional release (other than those covered by the agreements terms of issue of shares, convertible instruments such as emission conditions) are included in the calculation of earnings per diluted share as follows:
- (a) whether the entity can be assumed to be potential ordinary shares issued in accordance with the conditions for its issuance, as provided in paragraphs 52 to 56 ordinary shares subject to, and

(b) if those potential ordinary shares should be reflected in diluted earnings per share, the entity will determine its impact on the calculation of diluted earnings per share according to the provisions of paragraphs 45 to 48 for options and warrants to subscribe securities (warrants), as for the convertible instruments in paragraphs 49 to 51, as provided in paragraphs 58 to 61 contracts may be canceled in cash or shares, or other treatments would be appropriate for each particular case.

However, it is presumed not exercise or conversion, for the calculation of diluted earnings per share, unless it also assumes the exercise or conversion of potential ordinary shares in circulation, other than such Issuing conditioned.

Contracts may be settled in shares or cash

58. Where an entity has signed a contract that may be settled in shares or in cash at the option of the entity, it presumed that the contract will be settled in ordinary shares and potential ordinary shares will be available in the earnings per share diluted if they have dilutive effect.

59. When the contract is submitted for classification as an asset or liability, or has an equity component and a passive component, the entity shall adjust the numerator by the changes in the outcome of the exercise to be generated during the period if The contract has been classified entirely as a tool of equity. This setting is similar to the adjustments required in paragraph 33.

60. For the purposes of calculating earnings per diluted share, for the contracts may be settled at the discretion of the holder into ordinary shares or cash, use the form of settlement that have a greater dilutive effect of the two.

61. An example of a contract can be settled in shares or cash is a liability that, at maturity, giving the institution an irrevocable right to settle the principal amount in cash or its own shares. Another example is an issued option that gives the holder the option to settle in shares or cash.

Options purchased

62. Contracts, including options purchased from options purchased and the purchase of sale (i.e., options held by the entity of its own shares) is not included in the calculation of diluted earnings per share because their inclusion would have antidilutive. The option would only be exercised if the exercise price was greater than the market price and, in the same way, the purchase option would only be exercised if the exercise price is less than the market price.

Options issued

63. Contracts that require the entity to repurchase its own shares, including options issued and forward purchase contracts, will be reflected in the calculation of diluted earnings per share dilutive effect if they have. If these contracts have a positive value throughout the period (i.e. the exercise price or settlement has been above the average market price for that period), the potential dilutive effect on earnings per share is calculated as follows Mode:

(a) shall be presumed that at the beginning of the year will be issued sufficient common shares (the average market price during the period) to reach the amount necessary to satisfy the contract;

(b) shall be presumed that the amounts earned from the issuance will be used to satisfy the contract (i.e. to buy back ordinary shares) and

(c) additional ordinary shares (the difference between the number of ordinary shares purportedly issued and the number of shares received from the fulfillment of the contract) will be included in the calculation of diluted earnings per share.

Retroactive adjustments

64. If the number of ordinary shares or potential ordinary shares in circulation will increase as a result of capital gains, an emission charge or a stock split or decrease as a result of a group of shares, the calculation of earnings per share Basic and diluted for all periods presented should be adjusted retroactively. If these changes occurred after the balance sheet date but before the formulation of financial statements, the per share calculations for all periods for which this information should be based on the number of new shares. Must revealed that the per share calculations reflect such changes in the number of shares. Furthermore, earnings per share basic and diluted for all periods for which information is presented will be adjusted to reflect the effects of errors and adjustments that come from changes in accounting policies have been accounted for retroactively.

65. The entity does not restate diluted earnings per share for periods prior to those that are reported as a result of changes in estimates used in calculating earnings per share or as a result of the conversion of potential ordinary shares into shares ordinary.

Presentation

66. The entity in the income, earnings per share, basic and diluted for the result for the year from continuing activities attributable to holders of ordinary equity instruments of the dominant and the result for the year attributable to holders of ordinary equity instruments of the dominant period for each class of shares having different rights on the distribution of the gains of the period. The institution will submit the figures of earnings per share, basic and diluted with the

same detail for all periods for which this financial information.

67. Earnings per share are presented for each period for which this account. If diluted earnings per share are at least for a period, will be presented for all periods reported, even if they coincide with the amount of basic earnings per share. If earnings per share basic and diluted are the same, dual can be performed in a single line of the state of the overall result.

67A. If an entity presents the components of the result in a separate income statement as described in paragraph 81 of IAS 1 (revised 2007), will present earnings per share basic and diluted as required in paragraphs 66 and 67 in that state alone.

68. The entity to present information about a break in the final or discontinuous, shall disclose the amounts per share basic and diluted for that activity, either in the income statement or notes.

68A If an entity presents the components of the result in a separate statement of income as described in paragraph 81 of IAS 1 (revised 2007), will present earnings per share basic and diluted for the discontinued operation as required in paragraph 68, in this state individually or in the notes.

69. An entity shall present basic earnings per share and diluted, even if the amounts are negative (i.e., whether loss per share).

Information Disclosure

70. An entity shall disclose the following information:

(a) the amounts used as numerators in calculating earnings per share basic and diluted, and a reconciliation of those amounts in income for the year attributable to the parent during the period. The reconciliation shall include the individual effect of each class of instruments that affects earnings per share;

(b) the weighted average number of ordinary shares used as denominator for the calculation of earnings per share basic and diluted, and a reconciliation of the denominators between them. The reconciliation shall include the individual effect of each class of instruments that affects earnings per action;

(c) instruments (including shares of conditional release) that could potentially dilute basic earnings per share in future, but have not been included in the calculation of earnings per diluted share because they have effects antidilutive in the period or periods reported;

(d) a description of transactions with shares or potential ordinary shares, other than those registered in accordance with paragraph 64, which take place after the

balance sheet date that would have significantly changed the number of ordinary shares or ordinary shares potential movement at the end of the period if those transactions had taken place before the end of the period for which information is given.

71. Some examples of transactions referred to in paragraph (d) of paragraph 70 shall include:

- (a) the issuance of shares with payment in cash;
- (b) the issuance of shares when the contributions are used to repay debt or preference shares outstanding at the balance sheet date;
- (c) redemption of shares outstanding;
- (d) the conversion or exercise of potential ordinary shares that are outstanding at the balance sheet date into ordinary shares;
- (e) the issuance of options, warrants to subscribe for securities (warrants), or instruments convertible and
- (f) compliance with conditions that result in the issuance of shares of conditional release.

The amounts of earnings per share is not adjusted for such transactions occurring after the balance sheet date, since they do not affect the amount of equity used to obtain the result of the exercise.

72. Financial instruments and other contracts that give rise to potential ordinary shares may include terms and conditions that affect the valuation of earnings per share basic and diluted. These terms and conditions may determine whether potential ordinary shares are dilutive effect and, in this case, the effect induced on the weighted average number of shares outstanding, as well as adjustments resulting in the loss for the period attributable to holders of ordinary instruments equity. If no additional information is required (see IFRS 7 Financial Instruments: Disclosure Information), it is advisable to indicate the terms and conditions of such financial instruments and other contracts.

73. If an entity discloses, in addition to earnings per share basic and diluted amounts per share using a component of income other than required by this Standard, such amounts shall be calculated using the weighted average number of ordinary shares determined in accordance with this Standard. Basic and diluted amounts per share associated with this component is revealed with the same details, and be presented in the notes. The entity shall indicate the basis used for calculating the number or numbers, indicating if the per share amounts are before or after tax. If using a component of the income that is not in accordance with a specific

section of this statement will facilitate reconciliation between the component used and the specific section of the consolidated results that would have served basis.

73A. Paragraph 73 also applies to an entity discloses, in addition to earnings per share basic and diluted amounts per share using a component of the information presented in the income statement separately (as described in paragraph 81 of IAS 1 (revised 2007)), other than required by this Standard.

Effective Date

74. An entity shall apply this Standard in the years beginning on or after January 1, 2005. It is advisable to apply early. If an entity applies this Standard for a period beginning before January 1, 2005, indicate this fact.

74A. IAS 1 (revised 2007) amended the terminology used in IFRS. Besides adding paragraphs 4A, 67A, 68A and 73A. An entity shall apply those amendments for annual periods beginning on or after January 1, 2009. If an entity applies IAS 1 (revised 2007) to prior periods, the changes also apply to these exercises.

Repeal of other pronouncements

75. This Standard repeals IAS 33 Earnings per share approved in 1997.

76. This Standard repeals SIC 24 Earnings Per Share - Financial Instruments and other contracts that may be paid in shares.

Appendix A

Application Guide

This appendix is an integral part of the Standard

Profit for the period attributable to the parent

A1 To calculate earnings per share based on the consolidated financial statements, the result for the year attributable to the dominant concern is the result for the consolidated entity after being adjusted for minority interests.

Rights issue

A2 The issuance of common stock on the date of the exercise or conversion of potential ordinary shares does not, usually, no bonus. This is because the potential ordinary shares are usually issued for full value, resulting in a proportional change in the resources available to the entity. In the broadcast rights, however, the exercise price is often less than the fair value of the shares. Therefore, as established in paragraph (b) of paragraph 27, these emissions include a bonus. If offered a rights issue to existing shareholders, the number of shares to be used in calculating earnings per share basic and diluted, for all periods prior to the issuance of rights, the number of ordinary shares outstanding before the issuance, multiplied by the following factor:

$$\frac{\text{Fair value per share immediately prior to the exercise of rights}}{\text{Theoretical fair value per share ex-rights}}$$

The fair value theoretical ex-rights per share is calculated by adding the market value of the shares immediately before the exercise of rights, the amount of the exercise of rights, and dividing by the number of shares outstanding after the exercise of rights . When rights are publicly traded separately from the shares before the exercise date, fair value for the purposes of this calculation is established at the end of the last day on which the shares are listed together with the rights.

Net control

A3 To illustrate the concept of "figure control" described in paragraphs 42 and 43, suppose that the entity has a profit from continuing activities attributable to the controller \$ 4800, a loss of permanent or interruption in discontinued due to the controller (7200) um, a loss attributable to the controller (2400) and 2000 shares and 400 potential ordinary shares outstanding. Basic earnings per share of the entity will be 2.40 by the continuing activities, (3.60) by discontinued operations and (1.20) for the loss of the period. The 400 potential ordinary shares are included in the calculation of earnings per diluted share while earnings per share from \$ 2.00 activities supported by the dilutive

impact assuming that the 400 potential ordinary shares have not had an impact on the outcome of the exercise. As the gain the continuing activities attributable to the dominant figure is the control, the entity will also include those 400 potential ordinary shares in the calculation of other amounts of the earnings per share, although the amounts resulting from the earnings per share effects with antidilutive respect the amounts allocated to them for basic earnings per share, which means that the loss per share will be less diluted in version [(3.00) loss per share for the year due to discontinued operations and (1.00) loss per share for the year].

Average market price of ordinary shares

A4 To calculate earnings per diluted share, the average market price that is supposed to be issued ordinary shares was calculated based on the average market price of ordinary shares during the period. Theoretically, every market transaction on shares of the entity could be included in determining the average market price. From a practical viewpoint, however, a simple average of weekly or monthly prices is usually sufficient.

A5 Generally, closing market prices are sufficient to calculate the average market prices. However, when prices fluctuate widely, half of the higher prices and lower price will provide a more representative. The method used to calculate the average market price should be used consistently unless it ceases to be representative as a result of a change in conditions. For example, an entity that uses closing market prices to calculate the average market price for several years with relatively stable prices, could change half of the higher prices and lower if prices began to fluctuate significantly, so that the closing prices of market does not provide a representative average price.

Options, warrants to subscribe for securities (warrants) and their equivalents

A6 In order to purchase convertible instruments are assumed to options and warrants to subscribe for securities (warrants) are to be exercised when the average prices of both the convertible instrument and the share that is acquired through the conversion are greater than the exercise price of options or warrants to subscribe for securities (warrants). However, do not assume this year unless it also represents the conversion of convertible instruments like, if they exist.

A7 options or warrants to subscribe for securities (warrants) may permit or require the offering of debt or other instruments of the entity (or its dominant or a dependent), as payment for all or a portion of the price exercise. The calculation of diluted earnings per share, such options or warrants to subscribe for securities (warrants) will have a dilutive effect if (a) the average market price of ordinary shares during the period associated exceeds the exercise price or (b) the selling price of the instrument to be offered is less than that to which the instrument can be offered, depending on the option contract or the certificate option to subscribe for shares (warrant), and the discount resulting sets an effective price of exercise below the market price of ordinary shares that would be

obtained by exercising options and warrants. To calculate diluted earnings per share, such options or warrants to subscribe for securities (warrants) are supposed to be exercised and the debt or other instruments are supposed to have been offered. If the offer of cash is more advantageous to the holder of the option or warrant and the contract can provide effective, it is presumed the latter. Interest (net of taxes) of any debt which has been offering course be added as an adjustment to the numerator.

A8 The same treatment will be given preference shares that have conditions or other similar instruments that have conversion options, allowing the investor to pay cash for a more favorable conversion rate.

A9 The terms implicit in options or warrants to subscribe for securities (warrants) would require that the input received by the exercise of these instruments are used to repay debt or other instruments of the entity (or its dominant or a dependent). The calculation of diluted earnings per share, such options or certificates are assumed to have been exercised and obtained disbursements have been used in the acquisition of debt to its average market price, instead of buying stock. However, the excess of contributions received by the exercise of the course titles on the amount spent on purchase of the alleged debt is considered (assuming the employee buy back ordinary shares) for the calculation of diluted earnings per share. Interest (net of tax) purchase of any debt which has been assumed, as adjustments are subtracted in the numerator.

Options issued

A10 To illustrate the application of paragraph 63, it can be assumed that the entity has outstanding 120 options on its ordinary shares issued with an exercise price of 35 um The average market price of its common stock during the period is 28 um To calculate diluted earnings per share, the lead entity that issued 150 shares to 28 um per share at the beginning of the period, to meet their obligations by selling um 4200 The difference between the 150 issued ordinary shares and 120 ordinary shares received pursuant to the option (additional 30 ordinary shares) is added to the denominator in calculating diluted earnings per share.

Dependent instruments, joint ventures or associated

A11 potential ordinary shares of a subsidiary, joint venture partner or convertible into shares of the subsidiary, joint venture or of the partner, or in shares of the parent, partner or investor (which is the entity that presents the state financial) will be included in the calculation of diluted earnings per share as follows:

(a) The instruments issued by a subsidiary, joint venture or associate that enable their holders to get shares of the subsidiary, the joint venture or associated entity is included in the calculation of diluted earnings per share of the subsidiary, the business package or partner. These earnings per share will be included in the calculations of earnings per

share of the entity submitting the financial statements based on the possession by the entity that reported the instruments of the subsidiary, joint venture or of the associated entity.

(b) The instruments of a subsidiary, joint venture or associate that are convertible into ordinary shares of the entity submitting the financial statements are considered potential ordinary shares in the entity that submitted information for purposes of calculating earnings per share diluted. Likewise, options or warrants to subscribe for securities (warrants) issued by a subsidiary, joint venture or associate to acquire shares of the entity submitting the financial statements, are considered among the potential ordinary shares of the entity submitting the financial statements for the purposes of calculating diluted earnings per share consolidated.

A12 To determine the effect on earnings per share instruments convertible into shares of a subsidiary, a joint venture or an associated entity, issued by the entity that submitted the financial statements, the mean that the instruments are converted, and adjusted the numerator (income for the year attributable to holders of ordinary equity instruments of the dominant), as necessary, in accordance with paragraph 33. In addition to these adjustments, the numerator is adjusted for any change in income for the year recorded by the entity that submitted the financial statements (such as dividend income or income by the method of participation) that is attributable to the increase in the number of outstanding ordinary shares of the subsidiary, a joint venture partner or as a result of the alleged conversion. The denominator for calculating earnings per diluted share is not affected while the number of outstanding ordinary shares of the entity submitting the financial statements would not change because of the alleged conversion.

Instruments for participation in equity and dual class shares

A13 The net worth of some entities includes:

(a) instruments that entitle them to participate in dividends with common stock under a previously established formula (e.g., two for one), sometimes with an upper limit on the amount of participation (e.g., reaching, without, a certain amount per share).

(b) a class of ordinary shares with a dividend rate different from that for another class of shares, but without priority rights or older.

A14 When calculating diluted earnings per share, the conversion is assumed for those instruments described in paragraph A13 that are convertible into ordinary shares, provided that such conversion would dilutive effect. For instruments that are not convertible into a class of shares, the result of the exercise will be divided between different classes of shares and equity instruments in accordance with their respective rights to receive dividends or other rights of participation in profits not distributed. To calculate earnings per share basic and diluted:

(a) the result for the period attributable to holders of ordinary equity instruments of the dominant set (i.e., increased loss or reduced gain) by the amount of dividends in the period agreed for each class of and actions by the contractual amount of dividends (or interest obligations of participation) to be satisfied in the period (e.g., no cumulative

dividends paid).

(b) Other income for the year is divided into ordinary shares and equity instruments to the extent that each instrument involved in the earnings as if all the result of the exercise had been circulated. The total result for the year allocated to each class of equity instrument is determined by adding the amount allocated for dividends and the amount allocated by the other participation rights.

(c) In determining earnings per share of each instrument of equity, divided the total income for the year attributed to it by the number of outstanding instruments which are attributable to the previous earnings.

To calculate diluted earnings per share are included in shares outstanding all shares whose issuance has been granted.

Partly paid shares

A15 If the shares are issued partly paid shall be treated in the calculation of basic earnings per share as a fraction of a share, while conferring the right to participate in dividends during the period in proportion to the rights of a fully paid ordinary share.

A16 To the extent that partly paid shares do not confer the right to participate in dividends during the period, are treated as equivalent to options or warrants to subscribe for securities (warrants) to proceed to the calculation of diluted earnings per share. Assume that the amount not paid, the amount used to purchase ordinary shares. The number of operations included in diluted earnings per share is the difference between the number of shares subscribed and the number of shares allegedly purchased.