

Key S404 events and releases in April/ May 2006*

*not intended to be comprehensive list of all events, releases and reports in this period

Date	Issuer/ Host	Report/Release/Event	Description
From the Regulator			
April 23rd	SEC Advisory Committee	Report of the SEC Advisory Committee on Smaller Public Companies	Advisory Committee established to assist the Commission in evaluating the current securities regulatory system relating to disclosure, financial reporting, internal controls, and offering exemptions for smaller public companies. Report includes final recommendations.
May 1st	PCAOB	Board Issues Statement Regarding 2006 Inspections	Announces that a key emphasis of the 2006 inspections will be the efficiency of the firms' performance of audits of internal control over financial reporting.
May 10th	SEC/PCAOB	Roundtable on Second-Year Experiences with Internal Control Reporting and Auditing Provisions	Discussion consisting of five separate panels with each including representatives from public companies, auditing firms, investor groups, the legal community and government agencies. <ul style="list-style-type: none"> • Panel 1 - Overview of the Second Year • Panel 2 - Management Evaluation & Assessment • Panel 3 - The Audit of internal Control over Financial Reporting • Panel 4 - Effect on the Market • Panel 5 - Next Steps
May	Ernst & Young	<i>Emerging Trends in Internal Controls - May 10, SEC and PCAOB Roundtable</i>	<i>Summary of views and comments expressed at the roundtable, together with Ernst & Young nsights on matters raised</i>
May 17th	PCAOB	PCAOB Announces Four-Point Plan to Improve Implementation of Internal Control Reporting Requirements	Outlines four initiatives that the Board plans to undertake: <ul style="list-style-type: none"> • Amend Auditing Standard No. 2 • Reinforce auditor efficiency through PCAOB inspections • Guidance and Education for Auditors of Small Companies • PCAOB Forums on Auditing in the Small Business Environment
May 17th	SEC Advisory Committee	SEC Announces Next Steps for Sarbanes-Oxley Implementation	Outlines actions SEC plans to take following the May 10th roundtable and views issued in other reports. Action points address the following areas:: <ul style="list-style-type: none"> • Guidance for companies • Revisions to Auditing Standard No. 2 • SEC Oversight of PCAOB Inspection Program • Short postponement of compliance for smallest company filers
May 30th	PCAOB	Board announces June Meeting of Standard Advisory Group	Meeting sceduled for Monday, June 12th and Tuesday, June 13th to discuss topics including activities relating to implementation of Sarbanes Oxley and Auditing standard No. 2. Company level controls and auditors involvement n management's assessment will be specifically addressed.

Independent Research Reports

April 17th	CRA International	Sarbanes-Oxley Section 404: Costs and Implementation Issues: Spring 2006 Survey Update	Study commissioned by the "Big 4" accounting firms. Includes an analysis of total S404 Issuer Costs (Internal and Third Party Costs) and Audit Fee information over a two year period.
May 8th	Lord & Benoit	Do the Benefits of 404 Exceed the Cost?	Empirical research on share price movements of SOX 404 filers over a two year period.
May 9th (prelim release)	IMA	Management's Assessment of Internal Control Over Financial Reporting	Research study assessing views of CFOs, controllers, internal auditors and SOX compliance specialists. Initial conclusion is that lack of management guidance is a significant cost driver.
May 10th	Moody's Investor Services	The Second Year of Section 404 Reporting on Internal Control	Special Comment summarising Moody's experience and findings on the credit implications of Section 404 reports.

Ernst & Young Thought Leadership

April	Ernst & Young	404 Perspectives - No. 3 Case Studies Testing Approach	Perspectives of six companies, including their testing approaches, anticipated efficiencies and plans to modify their testing processes. Companies represent different industries and include accelerated filers and foreign private issuers.
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