

#### 40\_Administrative expenses

Administrative expenses, broken down into personnel expenses, other administrative expenses and depreciation and amortisation were as follows:

	2008	2007
	€ M	€ M
<b>Personnel expenses</b>		
Salaries	409	481
Social security contributions	42	40
Pension benefit expenses	24	25
of which BVV contributions	4	3
<b>Total personnel expenses</b>	<b>475</b>	<b>546</b>
<b>Other administrative expenses</b>		
IT costs	88	66
Legal, auditing and consultancy costs	58	45
Advertising and promotional costs	43	48
Occupancy costs	43	39
Communication and information costs	40	37
Business travel expenses	17	13
Securities settlement costs	13	12
Maintenance costs	11	12
Premiums and insurance policies	11	9
Rental payments under operating leases	9	4
Automobile-related expenses	5	6
Underwriting business expenses	0	8
Expenses related to other banking business	52	35
<b>Total other administrative expenses</b>	<b>390</b>	<b>334</b>
<b>Depreciation and amortisation</b>		
on operating and office equipment	18	17
on intangible assets	17	13
on buildings	4	3
on finance-lease assets	2	5
<b>Total depreciation and amortisation</b>	<b>41</b>	<b>38</b>
<b>Total administrative expenses</b>	<b>906</b>	<b>918</b>

#### 41\_Other operating income and expenses, net

Net other operating expense and income can be broken down as follows:

	2008	2007
	€ M	€ M
Gains from the disposal of venture capital investments	8	1
Rental income	7	3
Income from the reversal of other provisions	3	6
Income from service level agreements	1	2
Income from the disposal of property, plant and equipment	0	4
Other income	38	33
Other operating income	57	49
Compensation payments	-10	-4
Other taxes	-9	-2
Management fees for funds of funds	-7	-5
Expenses from additions to provisions	-4	-4
Impairments on venture capital investments and other shares in companies	-4	0
Losses from the disposal of property, plant and equipment	-1	-1
Other expenses	-14	-7
Other operating expenses	-49	-23
<b>Other operating income and expenses, net</b>	<b>8</b>	<b>26</b>

#### 42\_Income taxes

The taxes owed or paid on income in the individual countries are recognised under Income taxes. Income tax expenses can be broken down as follows:

	2008	2007
	€ M	€ M
Current taxes on income	43	44
Deferred taxes from temporary differences	-67	-10
Deferred taxes due to changes in tax rates	1	24
Deferred taxes from impairments on tax refund claims	-3	20
<b>Income taxes from continuing operations</b>	<b>-26</b>	<b>78</b>
Income taxes attributable to discontinued operations	-1	0
<b>Total</b>	<b>-27</b>	<b>78</b>

Current taxes amount to € 43 million in total in the reporting year, which was largely attributable to Oppenheim Beteiligungs-AG. This is a result of application of the minimum taxation principles of German tax law.

As a result of the significantly higher tax loss carryforwards for the Sal. Oppenheim jr. & Cie. KGaA group unit, there was income from deferred income taxes in continuing operations of € 69 million for the Group in financial year 2008 (previous year: expenses in the amount of € 34 million). Impairments on deferred tax assets due to tax loss carryforwards were reduced by € 3 million in the reporting year.

The expected income tax expense, calculated on the basis of the group income tax rate of 30% for the IFRS consolidated net income before tax, can be reconciled to the actual taxes as reported in the income statement as follows:

	2008	2007
	€ M	€ M
Profit/(loss) from operating activities in continuing operations	-137	347
Group income tax rate	30.0%	39.0%
Expected income taxes on profit/(loss) from operating activities in continuing operations	-41	135
Effects of differences between tax rates	6	-60
Effects of non-deductible operating expenses	74	35
Effects of tax-exempt income	-81	-123
Effects of taxes from previous years recorded in the reporting year	-8	4
Effects of non-deductible income taxes	9	13
Changes to permanent accounting-related effects	-17	-1
Effects of impairments and changes in recognition	26	60
Effects of changes in tax rates	1	28
Other effects	5	-13
<b>Income taxes from continuing operations</b>	<b>-26</b>	<b>78</b>
Income taxes attributable to discontinued operations	-1	0
<b>Income taxes</b>	<b>-27</b>	<b>78</b>

Current income taxes were calculated on the basis of tax results from financial year 2008, which, in turn, were based on the relevant country's tax rate. Companies based in Luxembourg are subject to an overall tax rate of 29.6%. Companies based in Germany are subject to an overall tax rate of 31.7%. The overall tax rate in Switzerland is 21.2%.

The effects of differing tax rates for partnerships and investment companies from the tax rate applicable to the group parent company and similar effects regarding foreign income taxes are reported accordingly in the reconciliation.

The significant change in the effects of non-deductible income-related expenses and tax-exempt income in the reporting year was a result of the low disposal gains and the disposal losses from equity investments. The main changes to permanent accounting-related effects result largely from the decline in other impairments not recognised for tax accounting purposes in connection with equity investments. Significant changes in the effects of impairments and changes in recognition have resulted from loss carryforwards from previous years recognised again.

#### 43\_Discontinued operations

The disposal presented in note 05 of Sal. Oppenheim Private Equity Partners S.A. and Sal. Oppenheim Private Equity Partners GmbH with the majority holdings in CAM Private Equity Consulting & Verwaltungs-GmbH and VCM Capital Management GmbH constitutes a discontinued operation in accordance with IFRS 5. The results of these companies are recognised separately as profit/(loss) from discontinued operations, as follows:

	2008	2007
	€ M	€ M
Income	12	8
Expenses	-19	-22
<b>Pre-tax profit/(loss) from discontinued operations</b>	<b>-7</b>	<b>-14</b>
Income taxes	1	0
<b>Net income/(loss) from discontinued operations</b>	<b>-6</b>	<b>-14</b>

Cash flows from discontinued operations break down as follows:

	2008	2007
	€ M	€ M
Cash flow from operating activities	52	-34
Cash flow from investing activities	-36	0

#### 44\_Segment reporting

The aim of segment reporting, as required in accordance with IAS 14, is to allow better assessment of a company's income sources and its risks, and a differentiated appraisal of the Group's economic performance.

The segments are presented firstly by business division and then according to geographical markets. The breakdown into business divisions is based on the Sal. Oppenheim Group structure as at the end of the year, and reflects the type of products and services offered and the respective target client groups. The monthly management accounts provide the basis for segment reporting.