

Notes to the Income Statement

7. Revenue

	1 October to 30 September	
in EUR thousand	2008/2009	2007/2008
Industrial Cranes	545,845	571,185
Port Technology	204,016	325,467
Goods and spare parts sold	749,861	896,652
Services	297,706	329,137
Total	1,047,567	1,225,789

Revenue from the sale of goods denominated in foreign currencies is hedged using foreign currency derivatives and includes net gains or losses on those derivatives.

Further information on revenue by segment and by region is contained in the segment reporting section (Note 32).

8. Selling, General and Administrative Expenses

	1 October to 30 September	
in EUR thousand	2008/2009	2007/2008
Selling expenses	-139,300	-138,229
General and administrative expenses	-74,174	-76,176
Total	-213,474	-214,405

Selling expenses include agents' commissions, marketing and advertising expenses, and outbound freight for deliveries to end customers. General and administrative expenses consist of expenses not attributable to development and production or to sales.

9. Research and Development Expenses

	1 October to 30 September	
in EUR thousand	2008/2009	2007/2008
Incurring research and development expenses	-18,625	-17,595
Amortisation	-2,995	-2,849
Impairments	-6,575	-
Capitalised development expenses	643	696
Total	-27,552	-19,748

The incurred research and development expenses sub-item contains all expenses for research and development activities in the period. The amortisation relates to capitalised development expenses. The impairments in financial year 2008/2009 relate to the Port Technology segment.

Detailed information on capitalised development expenses, amortisation and impairments is given in Note 15 (Goodwill and Other Intangible Assets).

10. Other Operating Income and Other Operating Expenses

	1 October to 30 September	
in EUR thousand	2008/2009	2007/2008
Foreign exchange gains	12,674	15,499
Gains on disposal of assets	297	4,499
Income from reversal of other provisions	181	1,493
Other	2,674	5,094
Other operating income	15,826	26,584
Foreign exchange losses	-11,591	-15,832
Losses on disposal of assets	-804	-1,352
Other	-954	-3,463
Other operating expenses	-13,349	-20,648

11. Share of Profit from Equity-Accounted Investments

The EUR 2,043,000 (2007/2008: EUR 2,492,000) share of profit from equity-accounted investments is from the 50-percent share of MHE-Demag (S) Pte. Ltd., Singapore, held by Demag Cranes & Components GmbH, Wetter, Germany.

12. Interest and Similar Income and Interest and Similar Expenses

	1 October to 30 September	
in EUR thousand	2008/2009	2007/2008
Interest on current accounts and term deposits	2,197	3,663
Foreign exchange gains	–	1,322
Expected return on plan assets	803	814
Other	794	1,750
Interest and similar income	3,794	7,549
Interest on senior credit facility	–3,397	–8,891
Interest expenses on pension provisions	–7,880	–7,309
Interest expenses on non-current liabilities	–985	–963
Amortisation of debt issuance costs	–487	–487
Measurement of interest rate swaps at fair value	–450	–187
Other	–1,742	–1,717
Interest and similar expenses	–14,941	–19,554

13. Income Tax

The 30.7 percent (2007/2008: 30.7 percent) income tax rate for domestic companies consists of corporation tax at 15.0 percent (2007/2008: 15.0 percent), 5.5 percent solidarity surcharge (2007/2008: 5.5 percent) and German trade tax at 14.9 percent (2007/2008: 14.9 percent).

Deferred tax for foreign companies is computed on the basis of local tax rates.

Income tax for financial year 2008/2009 (2007/2008) is made up as follows:

	1 October to 30 September	
in EUR thousand	2008/2009	2007/2008
Current income tax		
Germany	–824	–8,288
Other countries	–9,315	–16,359
Sub-total	–10,139	–24,647
Deferred tax		
Germany	9,173	–18,671
Other countries	52	370
Sub-total	9,225	–18,300
Total	–914	–42,947

The reported income tax figure differs from expected income tax expenses based on the 30.7 percent aggregate German income tax rate (2007/2008: 30.7 percent) for the reasons set out in the following:

	1 October to 30 September	
in EUR thousand	2008/2009	2007/2008
Earnings before tax (EBT)	2,075	123,777
Group tax rate (%)	30.7%	30.7%
Expected income tax expenses	-637	-38,000
Differences due to foreign tax rates	1,341	212
Additions/deductions due to German trade tax	-198	-419
Effects of losses carried forward/valuation allowances	91	-2,210
Tax-free income	290	467
Non-deductible expenses	-1,676	-1,325
Effects of German tax audit	-4,000	-3,239
Effects of changes in income tax rates	26	-60
Income tax of prior years	-233	2,869
Permanent differences	1,815	-107
Other	2,267	-1,135
Current income tax	-914	-42,947
Effective tax rate (%)	44.1%	34.7%

The effects of German tax audit sub-item mainly relates to adjustments to deferred taxes following tax audits.

14. Earnings per Share

	1 October to 30 September	
	2008/2009	2007/2008
Net income after tax attributable to shareholders of Demag Cranes AG (in EUR thousand)	850	80,295
Average number of shares outstanding	21,172,993	21,172,993
Earnings per share (in EUR)	0.04	3.79

There is no dilutive effect as no potential shares were in circulation in financial year 2008/2009. Diluted earnings per share and basic earnings per share are therefore the same.