

## ▷ 22 LEASING AND SERVICE ARRANGEMENTS

**OPERATING LEASES** The Group leases primarily retail stores as well as offices, warehouses and equipment under leases with expiration dates of between one and fifteen years. Rent expenses, which are partly depending on net sales aggregated to € 337 million and € 278 million for the years ending December 31, 2007 and 2006, respectively.

Future minimum lease payments under non-cancellable operating leases are as follows:

### MINIMUM LEASE PAYMENTS FOR OPERATING LEASES

€ in millions

	Dec. 31 2007	Dec. 31 2006
Within 1 year	212	171
Between 1 and 5 years	432	397
After 5 years	192	218
<b>Total</b>	<b>836</b>	<b>786</b>

**FINANCE LEASES** The Group also leases various premises for administration, warehousing, research and development as well as production, which are classified as finance leases.

The net carrying amount of these assets of € 6 million and € 10 million was included in property, plant and equipment as at December 31, 2007 and 2006, respectively. Interest expenses were € 2 million (2006: € 2 million) and depreciation expenses were € 2 million (2006: € 2 million) for the year ending December 31, 2007.

The minimum lease payments under these contracts over their remaining terms which extend up to 2016 and their net present values are as follows:

### MINIMUM LEASE PAYMENTS FOR FINANCE LEASES

€ in millions

	Dec. 31 2007	Dec. 31 2006
Lease payments falling due:		
Within 1 year	2	2
Between 1 and 5 years	3	6
After 5 years	1	2
<b>Total lease payments</b>	<b>6</b>	<b>10</b>
Less: estimated amount representing interest	1	2
<b>Obligation under finance leases</b>	<b>5</b>	<b>8</b>
Thereof falling due:		
Within 1 year	2	3
Between 1 and 5 years	2	3
After 5 years	1	2

**SERVICE ARRANGEMENTS** The Group has outsourced certain logistics and information technology functions, for which it has entered into long-term contracts. Financial commitments under these contracts mature as follows:

### FINANCIAL COMMITMENTS FOR SERVICE ARRANGEMENTS

€ in millions

	Dec. 31 2007	Dec. 31 2006
Within 1 year	48	43
Between 1 and 5 years	62	42
After 5 years	—	—
<b>Total</b>	<b>110</b>	<b>85</b>