



# THREE-MONTH INTERIM REPORT FISCAL YEAR 2007/2008

OCTOBER 1, 2007 TO DECEMBER 31, 2007

**WINCOR**  
**NIXDORF**  
EXPERIENCE MEETS VISION.

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## KEY FIGURES.

	1st quarter 2007/2008 <sup>1</sup>	1st quarter 2006/2007 <sup>2</sup>	Change
<b>Financial Statement (€ million)<sup>3</sup></b>			
<b>Net sales</b>	<b>602</b>	<b>549</b>	<b>10%</b>
thereof banking	406	349	16%
thereof retail	196	200	-2%
<b>Gross profit</b>	<b>160</b>	<b>147</b>	<b>9%</b>
Gross profit as a percentage of net sales	26.6%	26.8%	-
<b>Research &amp; development expenses</b>	<b>-23</b>	<b>-22</b>	<b>5%</b>
R&D expenses as a percentage of net sales	3.8%	4.0%	-
<b>Selling, general and administration expenses<sup>4</sup></b>	<b>-85</b>	<b>-79</b>	<b>8%</b>
SG&A expenses as a percentage of net sales	14.1%	14.4%	-
<b>Operating profit (EBITA)<sup>5</sup></b>	<b>52</b>	<b>46</b>	<b>13%</b>
EBITA as a percentage of net sales (EBITA margin)	8.6%	8.4%	-
thereof banking	41	35	17%
Banking as a percentage of net sales	10.1%	10.0%	-
thereof retail	11	11	0%
Retail as a percentage of net sales	5.6%	5.5%	-
<b>Depreciation of tangible assets and amortization of licenses</b>	<b>10</b>	<b>11</b>	<b>-9%</b>
<b>EBITDA</b>	<b>62</b>	<b>57</b>	<b>9%</b>
EBITDA as a percentage of net sales (EBITDA margin)	10.3%	10.4%	-
<b>Net profit for the period</b>	<b>32</b>	<b>26</b>	<b>23%</b>
Net profit for the period as a percentage of net sales	5.3%	4.7%	-
<b>Net profit for the period before carve-out</b>	<b>34</b>	<b>28</b>	<b>21%</b>
Net profit for the period before carve-out as a percentage of net sales	5.6%	5.1%	-
<b>Cash flow (€ million)</b>			
<b>Cash flow from operating activities</b>	<b>72</b>	<b>66</b>	<b>9%</b>
	Dec. 31, 2007	Sept. 30, 2007	Change
<b>Key Balance Sheet Figures (€ million)</b>			
<b>Working Capital<sup>6</sup></b>	<b>220</b>	<b>255</b>	<b>-35</b>
as a percentage of net sales (annualized)	9.1%	11.9%	-
<b>Net debt</b>	<b>148</b>	<b>182</b>	<b>-34</b>
<b>Equity<sup>7</sup></b>	<b>287</b>	<b>278</b>	<b>9</b>
<b>Human Resources</b>			
<b>Number of employees</b>	<b>8 578</b>	<b>8 379</b>	<b>199</b>

<sup>1)</sup> Oct. 1, 2007 – Dec. 31, 2007.

<sup>2)</sup> Oct. 1, 2006 – Dec. 31, 2006.

<sup>3)</sup> before profit charges arising from carve-out.

<sup>4)</sup> including other operating income and expenses.

<sup>5)</sup> net profit on operating activities before interest, taxes and amortization of goodwill and product know-how.

<sup>6)</sup> without reworkable service parts.

<sup>7)</sup> including minority interest.

## First quarter in line with expectations – Good basis for planned growth in fiscal 2007/2008.

- ▶ Net sales: up 10% (adjusted for exchange rate effects: up 13%)
- ▶ Operating profit (EBITA): up 13%    ▶ Net profit for the period: up 23%

### ▶ Dynamic international business

- Europe (excluding Germany): up 15%
- Asia/Pacific/Africa: up 14% (adjusted for exchange rate effects: up 30%)
- Americas: up 16% (adjusted for exchange rate effects: up 30%)

- ▶ Strong growth in Banking segment continues

## Forecasts for fiscal year are confirmed and remain unchanged.

- ▶ Net sales: up 8%    ▶ EBITA: up 10%

## KEY EVENTS.

**Banking segment continues to gain strong growth.** Business within the area of retail banking remains buoyant. This applies equally to hard-/software and services. Wincor Nixdorf has been benefiting from the ongoing trend toward process and workflow optimization at branch level as well as the continued expansion of branch and self-service activities. Increasingly, the focus within retail banking has been on capital expenditure directed at process automation. In addition, the market as a whole has seen a continual stream of extended solutions aimed at improving the range of services available to banking customers. Wincor Nixdorf has been supporting these optimization measures in an increasing number of projects spanning all stages of the change process.

**Solid business in global growth markets.** In line with its strategy and building on its strong position in Europe, Wincor Nixdorf has been making good progress in the world's growth markets. First and foremost, these include the emerging markets of the Asia/Pacific region, the Indian subcontinent and Africa, in addition to countries in Eastern Europe and Central and South America. Here, both the Banking and Retail segment have been participating directly in the significant growth generated by local economies. An additional growth market of key importance to Wincor Nixdorf is North

America. In fact, the company secured another major contract here at the beginning of fiscal 2007/2008: a second of the top five retail banks in the United States opted for a Wincor Nixdorf solution to be deployed in part of its branch network, the emphasis being on the automated acceptance and processing of checks as well as cash handling.

**Wincor World 2008 supplies IT know-how for banks and retailers.** Under the heading of "Empowering Process Innovation", this year's Wincor World will be hosted in Paderborn from January 29 to 31, 2008. The focus is on IT solutions and services spanning every aspect of branch operations at banks and retail companies. Together with more than fifty partner enterprises, Wincor Nixdorf will be offering a wide range of information tailored to the requirements of process optimization within these two industries. The trade show alone will feature around 600 exhibits. In addition, a newly created "Forum" gives industry experts and practitioners within the field the opportunity to speak on various topics such as IT security in retail banking or new checkout technology used at store level. As in previous years, the event will be supported by the well-known finance magazine *Börsen-Zeitung* and the retail institute EHI. Over 7,000 visitors from more than 60 countries are expected to attend, including around 80 international journalists.

## STOCK/INVESTOR RELATIONS.

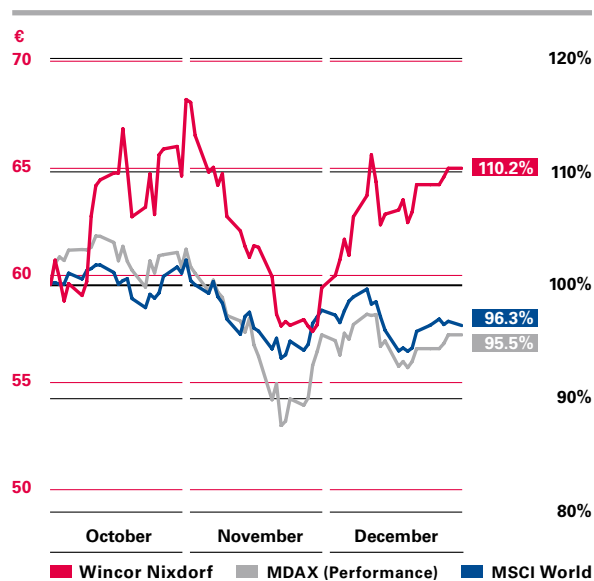
**Share Price Performance.** The German stock market performed at a favorable level in the early part of the period under review, before then undergoing a sharp decline in November against the backdrop of record highs achieved by the euro and surging oil prices, as well as an ongoing debate as to the ramifications of the financial crisis. Having moved in line with this trend over the course of November, Wincor Nixdorf shares eventually gained significant momentum towards the end of the reporting period and closed with a gain of 10.2%, in contrast to a loss of 4.5% suffered by the MDAX in the same quarter.

The company's stock recorded a quarterly high of €69.19 at the end of October, while the share price at the end of the period under review stood at €65.00.

### Share Price Data.

Opening price (Xetra) October 1, 2007	€59.00
High between October and December 2007 (Xetra)	€69.19
Low between October and December 2007 (Xetra)	€53.80
Closing price (Xetra), December 28, 2007	€65.00
<b>Market capitalization, December 28, 2007</b>	<b>€2,151m</b>

### Performance of Wincor Nixdorf Shares as from October 1, 2007 to December 31, 2007 compared to MDAX (Performance Index), MSCI World:



**Stock Buy-back.** On October 1, 2007, the Board of Directors of Wincor Nixdorf AG passed a resolution for the repurchase of up to 92,480 company shares via the stock exchange as from October 1, 2007. The stock buy-back program was concluded on October 2, 2007. In total, 92,480 shares were repurchased at an average price of €59.71 per share.

On December 3, 2007, the Board of Directors of Wincor Nixdorf AG passed a resolution for the repurchase of up to 625,720 company shares via the stock exchange as from December 3, 2007. By the end of the period under review, 299,741 own equity instruments had been repurchased at an average price of €60.89 per share.

**Investor Relations.** At the end of the period under review, the company's performance was being monitored and assessed by 21 financial analysts; these activities included the regular publication of analyst comments and recommendations. These analysts are as follows (in alphabetical order):

Bankhaus Lampe, Berenberg Bank, BHF Bank, B. Metzler, Cazenove, Cheuvreux, Deutsche Bank, Dresdner Kleinwort, DZ Bank, Fairesearch, Goldman Sachs, HSBC Trinkaus & Burkhardt, LBBW, Merck Finck, Merrill Lynch, Morgan Stanley, Nord LB, Sal. Oppenheim Research, UBS, Unicredit, WestLB.

Based on the announcements issued pursuant to Section 21 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), at the end of the reporting period the following entities had a Wincor Nixdorf shareholding of a scope that requires disclosure:

- Fidelity Management & Research Corp. (more than 5%)
- AKO Capital LLP (more than 5%)
- Fidelity International Ltd. (more than 3%)
- Neuberger Bermann LLC (more than 3%)
- New Star Asset Management Ltd. (more than 3%)
- Threadneedle Asset Management Ltd./Ameriprise Financial Inc. (more than 3%)

The Board of Directors and Investor Relations team presented the company's business model at a number of investor conferences and roadshows in Denmark, Germany, France, Spain and the United States and met up with several institutional investors.

Conference calls with market analysts were organized to coincide with the announcement of Wincor Nixdorf's preliminary results for fiscal 2006/2007 and the publication of the 2006/2007 annual report.

# GROUP INTERIM MANAGEMENT REPORT OF WINCOR NIXDORF AG.

## BUSINESS ENVIRONMENT.

**Economic Developments.** According to the majority of experts, the final months of 2007 saw a weakening of global economy. In the wake of the subprime crisis, North America, and in particular the United States, had to contend with economic slowdown and weaker domestic demand. In most Western European countries the economy as a whole lost some of its impetus. The German economy also showed signs of slowing toward the end of the year.

By contrast, the economies of Eastern Europe – as was the case in the majority of the world's growth regions – lost little of their forward momentum. This also applied principally to the Asian region.

**Developments in the Banking and Retail Industries.** The **retail banking** industry continues to operate against the backdrop of increasingly fierce competition. The key challenges within this segment include greater demands made by customers when it comes to the quality of advice provided, in addition to an increasing level of complexity resulting from statutory provisions and more intense competition driven by price. Many retail bankers are looking to counteract these recent developments by extending the level of automation at business-to-customer interfaces. Market research specialist IDC has forecast an annual increase of 7.1% in investments directed at automated branch processes in the period from 2007 to 2011.

The **retail** industry continues to be dominated by globalization, crowding out and intense price-led competition. Topics such as cost efficiency and differentiation strategies remain uppermost on the agenda. Within this context, the IDC has forecast 6.2% average annual growth in IT investments between 2007 and 2011.

## PERFORMANCE, FINANCIAL POSITION AND ASSETS.

### PERFORMANCE.

**Net Sales.** The Wincor Nixdorf Group increased net sales by 10% in the first quarter of fiscal 2007/2008, taking the figure to €602 million (Q1 2006/2007 (hereafter "prev. year"): €549 million). Adjusted for movements in the EUR/USD exchange rate, net sales grew by 13%.

**Regional Performance.** In Germany, first-quarter net sales contracted year on year, down 5%. Amounting to €138 million (prev. year: €145 million), they contributed 23% (prev. year: 26%) to total net sales within the Group.

Europe (excluding Germany) was the most significant growth driver in the first three months of the fiscal year, producing a 15% increase in net sales. As a result, net sales for the first quarter rose from €290 million in Q1 2006/2007 to €333 million in the period under review. At 55% (prev. year: 53%), Europe again made the largest contribution to total net sales.

Asia/Pacific/Africa increased its net sales by 30% (in U.S. dollars). Calculated on the basis of euros, this constitutes a year-on-year rise of 14%, taking the region's total to €81 million (prev. year: €71 million). Thus, Asia/Pacific/Africa contributed a share of 14% to total net sales (prev. year: 13%).

Calculated in U.S. dollars, net sales generated in the Americas also rose by 30% in the period under review. Translated into euros, this corresponds to an increase of 16% to €50 million (prev. year: €43 million). Thus, as in the same quarter a year ago, the Americas accounted for 8% of total net sales at Group level.

**Performance by Business Stream.** In the first quarter of fiscal 2007/2008 net sales attributable to Product business rose by 6% year on year to €358 million (prev. year: €339 million). Net sales from Software/Services increased by 16% to €244 million (prev. year: €210 million).

The share of net sales attributable to Product business was 59% of overall business (prev. year: 62%). Correspondingly, Software/Services business accounted for 41% (prev. year: 38%) of total net sales.

#### Reconciliation of Result from Business Operations (EBITDA).

	€m	
	1st quarter 2007/2008	1st quarter 2006/2007
Profit for the period	32	26
+ Income taxes	14	14
+ Financial result	3	2
+ Amortization of product know-how (exceptional item)	3	4
<b>EBITA before amortization of product know-how</b>	<b>52</b>	<b>46</b>
+ Amortization/Depreciation of property rights, licenses and property, plant and equipment	9	9
+ Write-down of reworkable service parts	1	2
<b>EBITDA before amortization of product know-how</b>	<b>62</b>	<b>57</b>

**Costs.** The gross margin on net sales before amortization of product know-how declined slightly by 0.2 percentage points in the period under review, down from 26.8% in Q1 2006/2007 to 26.6% in the first three months of fiscal 2007/2008.

Research and development expenses rose by €1 million to €23 million in the period under review (prev. year: €22 million) and were thus 5% higher than in the same period a year ago. The R&D ratio was 3.8% (prev. year: 4.0%).

Calculated in relation to net sales, the selling, general and administration expenses ratio fell by 0.3 percentage points to 14.1% in the reporting period (prev. year: 14.4%). Selling, general and administration expenses, including other operating income and expenses, amounted to €85 million in the period under review (prev. year: €79 million).

**Earnings Performance.** In the first quarter of fiscal 2007/2008 earnings before interest, taxes and amortization of product know-how (EBITA) grew by 13%, reaching €52 million in total (prev. year: €46 million). The EBITA margin thus improved by 0.2 percentage points to 8.6% (prev. year: 8.4%).

Net profit for the first three months of the fiscal year rose to €32 million and was thus €6 million, i.e. 23%, higher than the figure of €26 million posted for the same period a year ago. Net profit for the period before profit charges arising from the carve-out grew by 21% to €34 million (prev. year: €28 million).

## FINANCIAL POSITION.

In the first quarter of fiscal 2007/2008 cash flow from operating activities reached €72 million, thus significantly outpacing last year's figure of €66 million. As in the first quarter of 2006/2007, this was attributable mainly to EBITDA, which rose by 9% to €62 million in the period under review (prev. year: €57 million).

Income taxes paid reduced cash by €8 million (prev. year: €6 million). At the same time, working capital fell from €255 million at September 30, 2007, to €220 million at December 31, 2007. This resulted in a cash inflow of €35 million (prev. year: €9 million). Changes relating to other assets and the remaining other liabilities produced an outflow of cash in the amount of €12 million (prev. year: €3 million).

### Cash flow.

€m

	1st quarter 2007/2008	1st quarter 2006/2007
Cash flow from operating activities	72	66
Cash flow from investment activities	-13	-17
Cash flow from financing activities	-15	-62
<b>Change in liquidity</b>	<b>44</b>	<b>-13</b>
<b>Cash and cash equivalents at the end of the period<sup>1</sup></b>	<b>33</b>	<b>-19</b>

<sup>1</sup> include cash and cash equivalents (assets) as well as current bank borrowings (liabilities).

At €13 million (prev. year: €17 million), net cash used in investment activities remained below last year's first-quarter figure. As in the past, the main focus of investing activities was on office equipment. In contrast to the same period a year ago, investments in reworkable service parts were low.

Net cash used in financing activities amounted to €15 million (prev. year: €62 million). The purchase of treasury shares as part of the stock buy-back program resulted in a cash outflow of €24 million (prev. year: €6 million). Financial loans taken out by the company produced an inflow of cash in the amount of €10 million.

The cash flow generated from operating activities was used principally for the purpose of reducing net debt from €182 million (as at Sept. 30, 2007) to €148 million (as at Dec. 31, 2007).

## ASSETS.

Compared to September 30, 2007, the balance sheet total increased by €78 million, i.e. 6.4%, to €1,303 million. As regards total assets, the increase was mainly attributable to higher trade receivables as well as more extensive cash and cash equivalents. The increase in total equity and liabilities was due chiefly to more expansive non-current financial liabilities as well as higher current trade payables.

<b>Assets.</b>	€m	
	Dec. 31, 2007	Sept. 30, 2007
<b>Assets</b>		
Non-current assets	532	534
Current assets	771	691
<b>Total assets</b>	<b>1,303</b>	<b>1,225</b>
<b>Equity and Liabilities</b>		
Equity (incl. minority interest)	287	278
Non-current liabilities	233	222
Current liabilities	783	725
<b>Total equity and liabilities</b>	<b>1,303</b>	<b>1,225</b>

Invoicing of customer orders resulted in a €41 million increase in trade receivables, taking this figure to €358 million (Sept. 30, 2007: €317 million). In parallel, cash and cash equivalents rose by €26 million to €50 million (Sept. 30, 2007: €24 million), particularly due to a lower level of cash outflow at the end of the first quarter.

Non-current financial liabilities rose from €170 million at September 30, 2007, to €179 million at the end of the reporting period, mainly due to the further utilization of the revolving facility. As a result of more extensive supplier invoicing, current trade payables rose by €60 million to €294 million at December 31, 2007 (Sept. 30, 2007: €234 million).

## SEGMENT REPORTING.

**Banking Segment.** Business within the Banking segment progressed very well over the course of the first quarter, with net sales up 16% year on year to €406 million (prev. year: €349 million). EBITA generated in the Banking segment rose by €6 million to €41 million (prev. year: €35 million) in the first three months of the fiscal year, outpacing last year's figure by 17%.

### Key Performance Indicators: Banking Segment. €m

	1st quarter 2007/2008	1st quarter 2006/2007	Change
Net sales	406	349	16%
EBITA	41	35	17%
EBITA margin (%)	10.1	10.0	–

**Retail Segment.** At €196 million (prev. year: €200 million), net sales within the Retail segment were down by a slender 2% on last year's first-quarter figure. Reaching €11 million in the first quarter of fiscal 2007/2008, EBITA within the Retail segment remained unchanged year on year.

### Key Performance Indicators: Retail Segment. €m

	1st quarter 2007/2008	1st quarter 2006/2007	Change
Net sales	196	200	–2%
EBITA	11	11	0%
EBITA margin (%)	5.6	5.5	–

## EMPLOYEES.

Between September 30 and December 31, 2007, inclusive, the headcount for the Group as a whole increased by 199 to 8,578 (Sept. 30, 2007: 8,379 employees). Recruitment efforts were aimed at enhancing the Group's activities within the Services business and driving international expansion in growth markets.

## REPORT ON MAJOR RELATED-PARTY TRANSACTIONS.

There were no major transactions with related parties during the period under review.

## REPORT ON OPPORTUNITIES AND RISKS.

In the period under review, there were no significant changes to the principal opportunities and risks described in the 2006/2007 Group management report that may have a material effect on the expected development of the Group in the remaining months of the current fiscal year. The other opportunities and risks described in the 2006/2007 Group management report with regard to the expected development of the Group up to the end of the reporting period continue to apply without any material changes.

## REPORT ON EXPECTED DEVELOPMENTS.

The continued growth of the global economy – albeit at a slower pace – is to be seen as a key factor influencing the general conditions for business development at Wincor Nixdorf in the coming months. In parallel, the propensity to invest remains high, particularly within the area of retail banking. Within this context, there are continuing efforts to streamline operations and to extend business activities in global growth regions.

Alongside these opportunities, a number of risks have also become increasingly visible. Potential risks include further adverse effects and repercussions associated with the sub-prime crisis in the United States, which according to market experts may persist over the entire course of 2008. In addition, one cannot discount the potential risk of further depreciation in the value of the U.S. dollar.

Having said this, from Wincor Nixdorf's point of view the opportunities continue to outweigh the risks when assessing the overall business environment. In view of this, the company remains confident that it can attain the growth targets it has set itself for the current fiscal year. This view is supported by the company's business performance in the course of the first quarter. On this basis, the Board of Directors reaffirms the specified growth rates of 8% in net sales and 10% in EBITA for the 2007/2008 fiscal year.

Business is expected to progress in the same way as in recent months, in other words banking business will on the whole remain buoyant and international activities will continue to be dominated by significant forward momentum.

## GROUP INCOME STATEMENT.

	1st quarter 2007/2008 <sup>1</sup>	1st quarter 2006/2007 <sup>2</sup>
<b>Net sales</b>	<b>601,632</b>	<b>548,551</b>
Cost of sales	-445,637	-405,353
<b>Gross profit</b>	<b>155,995</b>	<b>143,198</b>
Research and development expenses	-23,008	-21,522
Selling, general and administration expenses	-84,842	-79,287
Other operating result	0	0
<b>Net profit on operating activities</b>	<b>48,145</b>	<b>42,389</b>
Finance income	310	4,745
Finance costs	-3,072	-7,211
<b>Profit before taxes</b>	<b>45,383</b>	<b>39,923</b>
Income taxes	-13,785	-14,357
<b>Profit for the period</b>	<b>31,598</b>	<b>25,566</b>
<b>Profit attributable to minority interest</b>	<b>13</b>	<b>335</b>
<b>Profit attributable to equity holders of Wincor Nixdorf AG</b>	<b>31,585</b>	<b>25,231</b>
<b>Shares for calculation of basic earnings per share (in thousands)</b>	<b>32,217</b>	<b>33,078</b>
<b>Shares for calculation of diluted earnings per share (in thousands)</b>	<b>32,217</b>	<b>33,188</b>
<b>Basic earnings per share (€)</b>	<b>0.98</b>	<b>0.76</b>
<b>Diluted earnings per share (€)</b>	<b>0.98</b>	<b>0.76</b>
<b>Profit attributable to equity holders of Wincor Nixdorf AG</b>	<b>31,585</b>	<b>25,231</b>
Amortization product know-how	3,620	3,807
Calculated tax effect	-1,086	-1,485
<b>Profit attributable to equity holders of Wincor Nixdorf AG before carve-out</b>	<b>34,119</b>	<b>27,553</b>
<b>Shares for calculation of basic profit attributable to equity holders of Wincor Nixdorf AG before carve-out per share (managerial, in thousands)</b>	<b>33,085</b>	<b>33,085</b>
<b>Profit attributable to equity holders of Wincor Nixdorf AG before carve-out per share (in €)</b>	<b>1.03</b>	<b>0.83</b>

<sup>1)</sup> October 1, 2007 – December 31, 2007.

<sup>2)</sup> October 1, 2006 – December 31, 2006.

## GROUP BALANCE SHEET.

### Assets

€k

	December 31, 2007		September 30, 2007	
<b>Non-current assets</b>				
Intangible assets	361,263		367,275	
Property, plant and equipment	119,563		115,011	
Investments	1,338		1,090	
Reworkable service parts	15,897		16,355	
Trade receivables	3,890		4,481	
Other assets	15,357		15,822	
Deferred tax assets	14,603	<b>531,911</b>	13,591	<b>533,625</b>
<b>Current assets</b>				
Inventories	307,225		294,309	
Trade receivables	358,280		317,367	
Income tax assets	5,694		3,947	
Other assets	49,368		51,444	
Financial assets	14		16	
Cash and cash equivalents	50,121	<b>770,702</b>	24,469	<b>691,552</b>
<b>Total assets</b>		<b>1,302,613</b>		<b>1,225,177</b>

### Equity and Liabilities

€k

	December 31, 2007		September 30, 2007	
<b>Equity</b>				
Subscribed capital of Wincor Nixdorf AG	33,085		33,085	
Additional paid-in capital of Wincor Nixdorf AG	42,193		41,486	
Other reserves	208,968		201,052	
<b>Equity attributable to equity holders of Wincor Nixdorf AG</b>	<b>284,246</b>		<b>275,623</b>	
Minority interest	2,563	<b>286,809</b>	2,648	<b>278,271</b>
<b>Non-current liabilities</b>				
Accruals for pensions and similar commitments	16,400		16,023	
Other accruals	33,661		33,777	
Financial liabilities	179,328		170,101	
Trade payables	209		213	
Other liabilities	9		7	
Deferred tax liabilities	3,052	<b>232,659</b>	2,007	<b>222,128</b>
<b>Current liabilities</b>				
Other accruals	169,190		175,105	
Financial liabilities	18,623		36,415	
Advances received on orders	78,110		54,213	
Trade payables	294,169		234,397	
Income tax liabilities	58,304		50,287	
Other liabilities	164,749	<b>783,145</b>	174,361	<b>724,778</b>
<b>Total equity and liabilities</b>		<b>1,302,613</b>		<b>1,225,177</b>

## GROUP CASH FLOW STATEMENT.

€k

	1st quarter 2007/2008 <sup>1</sup>	1st quarter 2006/2007 <sup>2</sup>
<b>EBITA<sup>3</sup></b>	<b>51,765</b>	<b>46,196</b>
Amortization/depreciation of property rights, licenses and property, plant and equipment	9,869	9,303
Write-down of reworkable service parts	651	1,759
<b>EBITDA<sup>3</sup></b>	<b>62,285</b>	<b>57,258</b>
Interest paid	-2,421	-1,801
Income taxes paid	-8,227	-6,140
Gain/loss on disposal of intangible assets and property, plant and equipment	-389	-119
Decrease/increase in accruals	-5,835	10,377
Other non-cash expenses	2,340	534
Decrease in working capital	35,526	9,193
Decrease in other assets and other liabilities	-11,582	-3,303
<b>Cash flow from operating activities</b>	<b>71,697</b>	<b>65,999</b>
Payments received from the disposal of property, plant and equipment	698	183
Payments received from the disposal of investments	5	13
Payments made for investment in intangible assets	-381	-2,179
Payments made for investment in property, plant and equipment	-13,083	-10,294
Payments made for acquisition of consolidated affiliated companies and other business units	-251	0
Payments made for investment in reworkable service parts	-193	-4,298
<b>Cash flow from investment activities</b>	<b>-13,205</b>	<b>-16,575</b>
Payments received from loan draw-downs	10,000	0
Payments made for repayment of financial loans	-859	-55,975
Payments made to minority interest and other distributions	-97	0
Payments made for repurchase of own shares	-23,802	-5,898
Payments received/made due to special items	228	-65
<b>Cash flow from financing activities</b>	<b>-14,530</b>	<b>-61,938</b>
<b>Change in liquidity</b>	<b>43,962</b>	<b>-12,514</b>
Change in cash and cash equivalents from exchange rate movements	-376	14
Cash and cash equivalents at beginning of period <sup>4</sup>	-10,734	-5,982
<b>Cash and cash equivalents at end of period<sup>4</sup></b>	<b>32,852</b>	<b>-18,482</b>

<sup>1)</sup> October 1, 2007 – December 31, 2007.

<sup>2)</sup> October 1, 2006 – December 31, 2006.

<sup>3)</sup> After elimination of profit charges arising from the carve-out (further information under "Effect of Profit Charges arising from the Carve-out").

<sup>4)</sup> Include cash and cash equivalents (assets) and current bank borrowings (liabilities).

## CHANGES IN EQUITY.

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	Equity attributable to equity holders of Wincor Nixdorf AG						Minority interest	Equity
	Subscribed capital	Add. paid-in capital	Retained earnings	Revaluation reserves	Treasury shares	Total		
<b>As of October 1, 2006</b>	<b>16,542</b>	<b>124,458</b>	<b>128,512</b>	<b>307</b>	<b>0</b>	<b>269,819</b>	<b>4,926</b>	<b>274,745</b>
Fair value cash flow hedges and securities	0	0	0	941	0	941	0	941
Share options	0	361	0	0	0	361	0	361
Exchange rate changes	0	0	-690	0	0	-690	0	-690
Other changes	0	0	-675	0	0	-675	0	-675
<b>Net income recognized directly in equity</b>	<b>0</b>	<b>361</b>	<b>-1,365</b>	<b>941</b>	<b>0</b>	<b>-63</b>	<b>0</b>	<b>-63</b>
Profit for the period	0	0	25,231	0	0	25,231	335	25,566
<b>Total recognized income and expense for the period</b>	<b>0</b>	<b>361</b>	<b>23,866</b>	<b>941</b>	<b>0</b>	<b>25,168</b>	<b>335</b>	<b>25,503</b>
Changes in treasury shares	0	0	0	0	-5,898	-5,898	0	-5,898
<b>As of December 31, 2006</b>	<b>16,542</b>	<b>124,819</b>	<b>152,378</b>	<b>1,248</b>	<b>-5,898</b>	<b>289,089</b>	<b>5,261</b>	<b>294,350</b>
<b>As of October 1, 2007</b>	<b>33,085</b>	<b>41,486</b>	<b>240,295</b>	<b>4,450</b>	<b>-43,693</b>	<b>275,623</b>	<b>2,648</b>	<b>278,271</b>
Fair value cash flow hedges and securities	0	0	0	2,292	0	2,292	0	2,292
Share options	0	707	0	0	0	707	0	707
Exchange rate changes	0	0	-761	0	0	-761	-1	-762
Other changes	0	0	-1,398	0	0	-1,398	0	-1,398
<b>Net income recognized directly in equity</b>	<b>0</b>	<b>707</b>	<b>-2,159</b>	<b>2,292</b>	<b>0</b>	<b>840</b>	<b>-1</b>	<b>839</b>
Profit for the period	0	0	31,585	0	0	31,585	13	31,598
<b>Total recognized income and expense for the period</b>	<b>0</b>	<b>707</b>	<b>29,426</b>	<b>2,292</b>	<b>0</b>	<b>32,425</b>	<b>12</b>	<b>32,437</b>
Changes in treasury shares	0	0	0	0	-23,802	-23,802	0	-23,802
Distributions	0	0	0	0	0	0	-97	-97
<b>As of December 31, 2007</b>	<b>33,085</b>	<b>42,193</b>	<b>269,721</b>	<b>6,742</b>	<b>-67,495</b>	<b>284,246</b>	<b>2,563</b>	<b>286,809</b>

## NOTES.

### PRINCIPLES OF CONSOLIDATION, ACCOUNTING AND VALUATION.

The Group interim report of Wincor Nixdorf AG has been compiled in accordance with the requirements of the International Accounting Standards Board (IASB) and the bulletins of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union.

The first-time application of the standards, interpretations and amendments becoming initially effective and binding in fiscal year 2007/2008 had no significant influence on the Group interim report of Wincor Nixdorf AG as of December 31, 2007.

Besides the same principles of consolidation, accounting and valuation and calculation methods apply to this interim report, which was compiled in accordance with the requirements of IAS 34 "Interim Financial Reporting", as were used in the Group financial statements as of September 30, 2007. The applied methods of accounting and valuation are described in detail in the Notes to the Group financial statements as of September 30, 2007.

### CONSOLIDATION GROUP.

The Group financial statements as of December 31, 2007, include those companies in which Wincor Nixdorf AG directly or indirectly has a majority of the voting rights (subsidiaries), or from which it is able to derive the greater part of the economic benefit and bears the greater part of the risk by virtue of its power to govern corporate financial and operating policies. Inclusion of such companies' accounts in the Group

financial statements begins when Wincor Nixdorf AG starts to exercise control over the company, and ceases when it is no longer able to do so.

### GROUP EQUITY.

The changes in Group equity and individual elements thereof are shown in detail in the Changes in Equity table.

**Treasury Shares.** On October 1, 2007, the Board of Directors of Wincor Nixdorf AG passed a resolution for the repurchase, as from this date, of up to 92,480 of the company's shares via the stock exchange. In doing so, it availed itself of the authorization granted by the Annual General Meeting of Shareholders on January 29, 2007.

In the case of the approved repurchase of own shares by the company, the purchase price per share (excluding ancillary costs of purchase) shall deviate by no more than 5% in either direction from the average share price at the closing auction of Xetra trading on the Frankfurt Stock Exchange for the final ten trading days prior to the purchase of the shares.

The shares to be repurchased are to be used for the purpose of settling obligations arising from share options already issued or to be issued to members of the Board of Directors, other managers or staff members of the company and/or subordinated affiliated entities on the basis of the authorization granted for the issuance of share options.

Between October 1, 2007, and October 2, 2007, 92,480 shares were bought at an average price of €59.71. The acquisition costs, including ancillary costs of acquisition, amounting to €5,529k were deducted in full from equity.

On December 3, 2007, the Board of Directors of Wincor Nixdorf AG passed a resolution for the repurchase, as from this date, of up to 625,720 of the company's shares via the stock exchange. In doing so, it availed itself of the authorization granted by the Annual General Meeting of Shareholders on January 29, 2007.

In the case of the approved repurchase of own shares by the company, the purchase price per share (excluding ancillary costs of purchase) shall deviate by no more than five per cent in either direction from the average share price at the closing auction of Xetra trading on the Frankfurt Stock Exchange for the final ten trading days prior to the purchase of the shares. The repurchased shares are to be used for all legitimate purposes and for those covered by the authorization issued by the Annual General Meeting of Shareholders, in particular for the purpose of settling obligations arising from share options already issued or to be issued to members of the Board of Directors, other managers or staff members of the company and/or subordinated affiliated entities on the basis of the authorization granted for the issuance of share options.

As of December 31, 2007, the number of treasury shares held by the company was 299,741 which were repurchased due to this program. The acquisition costs, including ancillary costs of acquisition, amounting to €18,273k were deducted in full from equity.

As of December 31, 2007, the total number of treasury shares held by the company was 1,095,001. The acquisition costs, including ancillary costs of acquisition, amounting to €67,495k were deducted in full from equity.

**Share-based Payment Program.** The changes in the composition of share options are as follows (share-based payment programs 2005, 2006 and 2007):

	1st quarter 2007/2008		1st quarter 2006/2007	
	number	Average exercise price €	number	Average exercise price €
As of October 1	786,980	64.91	684,280	46.25
Expired during the period	5,000	66.13	2,000	46.54
<b>As of December 31</b>	<b>781,980</b>	<b>64.90</b>	<b>682,280</b>	<b>46.25</b>
Exercisable as of December 31	0	-	0	-

In accordance with the requirements of the respective share-based payment programs, the capital increase resulted in a doubling of the number of share options and a halving of the exercise price. The comparative figures have been adjusted. The change in 1st quarter 2007/2008 relates solely to staff members. The share-based payment programs are described in detail in the Notes to the Group financial statements as of September 30, 2007.

## SEGMENT REPORT.

### Segment Report by Division.

€k

	Banking	Retail	Group
Net sales to external customers	405,576 (348,416)	196,056 (200,135)	<b>601,632</b> (548,551)
Operating profit (EBITA)*	40,607 (35,190)	11,158 (11,006)	<b>51,765</b> (46,196)
Investment in property rights, licenses and property, plant and equipment	11,308 (10,469)	2,156 (2,004)	<b>13,464</b> (12,473)
Investment in reworkable service parts	159 (3,395)	34 (903)	<b>193</b> (4,298)
Amortization/depreciation of property rights, licenses and property, plant and equipment	8,113 (7,321)	1,756 (1,982)	<b>9,869</b> (9,303)
Write-down of reworkable service parts	538 (1,390)	113 (369)	<b>651</b> (1,759)
Research & development expenses	14,457 (13,513)	8,551 (8,009)	<b>23,008</b> (21,522)

Comparative figures for the period from October 1, 2006 to December 31, 2006 are shown in brackets for each item.

\* After elimination of profit charges arising from the carve-out (further information under "Effect of Profit Charges arising from the Carve-out").

### Reconciliation of Segment Profit to Group Profit.

€k

	1st quarter 2007/2008	1st quarter 2006/2007
<b>Operating profit (EBITA)</b>	<b>51,765</b>	<b>46,196</b>
Goodwill amortization	0	0
<b>Operating profit (EBIT)</b>	<b>51,765</b>	<b>46,196</b>
Profit charges arising from the carve-out	-3,620	-3,807
Finance income and finance costs	-2,762	-2,466
<b>Profit before taxes</b>	<b>45,383</b>	<b>39,923</b>
Income taxes	-13,785	-14,357
<b>Profit for the period</b>	<b>31,598</b>	<b>25,566</b>

The operating profit (EBITA) is stated here as the profit before taking into account the profit charges arising from the carve-out, which result from the amortization of product know-how acquired in the course of the carve-out. Since the product know-how is used by both segments, this amortization was not divided across both the segments, Retail and Banking, as in previous years.

### Net Sales by Regions.

€k

	1st quarter 2007/2008	1st quarter 2006/2007
<b>Europe</b>	<b>471,080</b>	<b>435,657</b>
in % of total net sales	78.3	79.4
<b>included in Europe: Germany</b>	<b>137,675</b>	<b>145,273</b>
in % of total net sales	22.9	26.5
<b>America</b>	<b>49,289</b>	<b>42,512</b>
in % of total net sales	8.2	7.8
<b>Asia/Pacific/Africa</b>	<b>81,263</b>	<b>70,382</b>
in % of total net sales	13.5	12.8
<b>Total</b>	<b>601,632</b>	<b>548,551</b>

During fiscal 2006/2007, the segmentation of geographical specified markets was changed: due to the high importance of the total European business for the Group, a new geographical segment "Europe" was established, which includes the segments "Germany" and "Europe w/o Germany" previously reported as separate segments. The previous year's figures were restated accordingly. The figures of the former segment "Germany" are further on shown separately for information purposes.

## EFFECT OF PROFIT CHARGES ARISING FROM THE CARVE-OUT.

Wincor Nixdorf was demerged from Siemens Group by means of leveraged buy-out on October 1, 1999. The amount of the purchase price exceeding the net assets acquired was divided as follows:

	€k
	October 1, 1999
Product know-how	206,664
Goodwill	351,623
Negative goodwill	-1,274
	<b>557,013</b>

The amortization arising from this has impacted net profit on ordinary activities as follows:

	€k	
	1st quarter 2007/2008	1st quarter 2006/2007
Amortization of product know-how	3,620	3,807

## Group Income Statement before Profit Charges arising from the Carve-out.

€k

	1st quarter 2007/2008	1st quarter 2006/2007
<b>Net sales</b>	<b>601,632</b>	<b>548,551</b>
Cost of sales	-442,017	-401,546
<b>Gross profit</b>	<b>159,615</b>	<b>147,005</b>
Research and development expenses	-23,008	-21,522
Selling, general and administration expenses	-84,842	-79,287
Other operating result	0	0
<b>Operating profit (EBIT)</b>	<b>51,765</b>	<b>46,196</b>
Goodwill amortization	0	0
<b>EBITA</b>	<b>51,765</b>	<b>46,196</b>
Amortization/depreciation of property rights, licenses and property, plant and equipment and write-down of reworkable service parts	10,520	11,062
<b>EBITDA</b>	<b>62,285</b>	<b>57,258</b>

## FINANCIAL CALENDAR.\* COVER.

### FISCAL 2007/2008.

**January 28, 2008:**

Annual General Meeting in Paderborn

**April 24, 2008:**

Half-year interim report, 2007/2008

**July 24, 2008:**

Nine-month interim report, 2007/2008

**November 5, 2008:**

Preliminary results 2007/2008,  
press conference

\*All dates are preliminary and may be subject to change.

For further details about other Investor Relations events, please visit the website of Wincor Nixdorf AG at [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com).

This annual report is available on the Internet in an HTML and PDF format, and can be accessed by visiting [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com), Investor Relations/Reports & Financial Data.

**Regions with strong growth potential – example: Eastern Europe.** An integral element of the strategy pursued by Wincor Nixdorf is to drive international business development at a consistently high level. The aim is to support existing global accounts in their efforts to expand into new markets and secure contracts from new customers operating at a regional level. Within this context, Wincor Nixdorf's highly successful penetration of markets in Eastern Europe is of particular significance.

Wincor Nixdorf was quick to identify the potential of countries such as Russia, Georgia, Kazakhstan and Ukraine, establishing the requisite structures to develop its business activities in Eastern Europe. In addition to maintaining business relations with local partners, the company has gradually established its own offices as well as subsidiaries, e.g. in Russia, with the express purpose of strengthening its competitive position and capturing an additional share of the market.

In view of the fact that both banks and retailers are investing increasingly sizeable amounts in the improvement of consumer service and process efficiency in Eastern Europe, these countries are considered to be highly attractive markets for Wincor Nixdorf. Working in close collaboration with local sales and service partners, Wincor Nixdorf is committed to supporting these companies in their efforts to enhance their competitive position by providing a comprehensive solutions portfolio, encompassing hardware, software and services.

This document contains forward-looking statements that are based on current estimates and assumptions made by the Board of Directors of Wincor Nixdorf AG to the best of its knowledge. Such forward-looking statements are subject to risks and uncertainties, the non-occurrence or occurrence of which could cause the actual results, including the financial condition and profitability of Wincor Nixdorf, to differ materially from or be more –negative than those expressed or implied by such forward-looking statements. This also applies to the forward-looking estimates and forecasts derived from third-party studies. Consequently, neither the Company nor its management can give any assurance regarding the future accuracy of the opinions set forth in this document or the actual occurrence of the predicted developments.



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