



PRESS CONFERENCE

Fiscal 2010/2011

based on preliminary figures

Düsseldorf, November 09, 2011

Key Figures 2010/2011.

	2010/2011 ¹	2009/2010 ²	Change
Financial Statement (€ million)			
Net sales	2,328	2,239	4%
Gross profit	570	562	1%
Gross profit as a percentage of net sales	24.5%	25.1%	-
Research & development expenses	-100	-101	-1%
R&D expenses as a percentage of net sales	4.3%	4.5%	-
Selling, general and administration expenses ³	-308	-299	3%
SG&A expenses as a percentage of net sales	13.2%	13.4%	-
Operating profit (EBIT)	162	162	0%
Goodwill amortization	0	0	-
EBITA ⁴	162	162	0%
EBITA as a percentage of net sales (EBITA margin)	7.0%	7.2%	-
Amortization/depreciation of property, plant and equipment and licenses and write-down of reworkable service parts	63	61	3%
EBITDA	225	223	1%
EBITDA as a percentage of net sales (EBITDA margin)	9.7%	10.0%	-
Profit for the period	108	106	2%
Profit for the period as a percentage of net sales	4.6%	4.7%	-
Earnings per share (€) ⁵	3.60	3.38	-
Cash flow (€ million)			
Cash flow from operating activities	144	154	-6%
Cash flow from investment activities	-66	-62	6%
	Sept. 30, 2011	Sept. 30, 2010	Change
Key Balance Sheet Figures (€ million)			
Working capital	263	235	28
as a percentage of net sales	11.3%	10.5%	-
Net debt	199	134	65
Equity ⁶	330	358	-28
Human Resources			
Number of employees (September 30)	9,171	9,309	-138

¹ Oct. 1, 2010–Sept. 30, 2011.

² Oct. 1, 2009–Sept. 30, 2010.

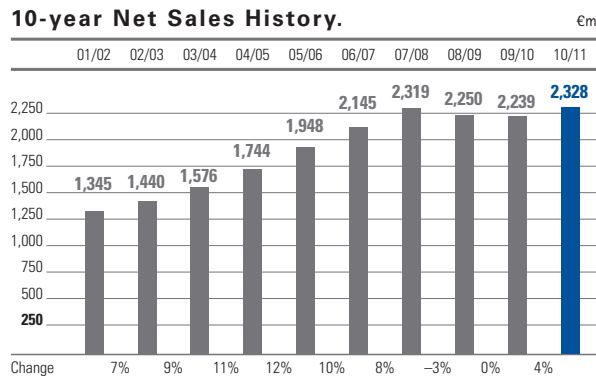
³ including other operating income and expenses.

⁴ net profit on operating activities before interest, taxes and amortization of goodwill.

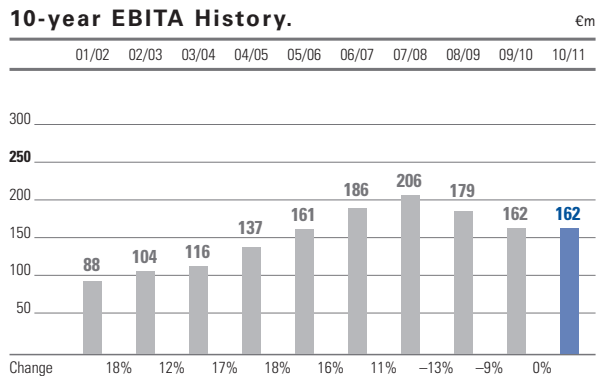
⁵ 2010/2011 calculated on basis of 29,776 million shares, 2009/2010 calculated on basis of 31,371 million shares.

⁶ including non-controlling interests.

10-year Net Sales History.



10-year EBITA History.



Wincor Nixdorf Group in Fiscal 2010/2011.

THE WINCOR NIXDORF GROUP.

Organizational Structure. Wincor Nixdorf came into existence in 1999, when it was carved out from the Siemens Group. It was subsequently floated in 2004.

Today, although still based in Germany, Wincor Nixdorf is a global enterprise, with over 70% of net sales derived from its international business. Our main focus is on the retail banking and retail industries. A report of our activities in these areas can be found in the sections entitled Banking Segment and Retail Segment.

Our production sites combine to form an international network, as do our research and development facilities. In this area, we also work with a continually expanding group of external partners and research institutes.

In the main, we sell our products and services through our own sales organization. One of the hallmarks of Wincor Nixdorf's business model is its proximity to customers. We have established subsidiaries in 42 countries. Moreover, we now have a presence in over one hundred and ten countries worldwide as a result of the ongoing expansion of our links with many sales partners. Accordingly, over half of the Group's 9,200 employees are based outside Germany.

Details of the Wincor Nixdorf Group's legal structure can be found in the Notes to the Group financial statements under the heading Consolidation Group. Information about our production and development sites is included in the section entitled Non-financial Indicators.

Acquisitions, New Companies and Cooperations. In the year under review, we maintained our pattern of global expansion through acquisitions and the formation of new companies.

Giesecke & Devrient GmbH, Munich, Germany ("G&D") and Wincor Nixdorf have now combined their activities in the development, production and marketing of security technologies with specific regard to the testing and processing of banknotes. This cooperation aims to create new solutions that will significantly reduce the costs associated with cash management. In this context, the operating business of BEB Industrie-Elektronik AG, Burgdorf, Switzerland, was transferred to the newly founded company CI Tech Components AG, Burgdorf, Switzerland ("CI Tech") with economic effect from January 1, 2011. Since July 1,

2011, CI Tech has been managed jointly by G&D and Wincor Nixdorf. CI Tech conducts research in the growing market for banknote testing sensor technology and develops and produces modules that can recognize genuine cash. These can be used not only in ATMs but also in other self-service systems, e.g. automatic ticket machines for rail companies. CI Tech markets these modules and related services independently as an OEM.

We have also strengthened our position on the software and professional services side of the banking industry through our takeover of Dynasty Technology Group S.A. (Madrid, Spain) and a subsidiary in Brazil.

In the last fiscal year, we also founded a new company in South Africa to strengthen our sales activities.

Full details of all changes affecting those companies included in the consolidated financial statements can be found in the Notes to the Group financial statements under the heading Consolidation Group.

Business Model. The main focus of our business activities lies on retail banking and the retail industry.

Both industries face increasingly complex challenges. Solving these has led to a rapidly expanding role for information technology (IT), which is no longer regarded simply as a means of ensuring cost-efficiency but increasingly as a driving force for competitive growth, setting the pace for change within companies. As such, IT has established itself as a key element of our customers' strategic planning and operating business.

Furthermore, IT processes are becoming increasingly complex. At the same time, the role of change management is expanding to cover the analysis of existing procedures, conceptual planning for entirely new processes, the integration of new information technology into existing infrastructures and the partial or even complete outsourcing of operational management.

These developments are also reflected in our portfolio. Originally a dedicated hardware manufacturer, Wincor Nixdorf has evolved and expanded into the area of software and services. Our expertise lies in optimizing processes and systems through the best possible combination of hardware, software and services, e.g. from a total cost of ownership perspective. We have consistently increased our share of the value chain in line with the process of change and innovation among our customers.

You will find more information about our services in the section entitled Our Solutions Portfolio.

Market and Competition. Globally, Wincor Nixdorf is acknowledged as one of the top market players, with a specialized portfolio of software and services for retail banks and retailers – above all in the worldwide hardware business, where we are one of the biggest suppliers of cash systems and programmable EPOS systems. Innovative high-end systems, which lie at the heart of solutions designed to improve customer processes, are a core element of our business strategy. Indeed, it is thanks to these solutions that we are acknowledged as an innovating force within our markets.

VALUE MANAGEMENT, TARGETS AND STRATEGY.

Value Management. Wincor Nixdorf's primary goal is and remains that of achieving sustained growth in enterprise value. The criteria we use to measure whether we have achieved this goal are profitability; innovative solutions consisting of hardware, software and services; realized returns and secure jobs. All our actions and processes are geared towards achieving profitable growth of the Group and increases in net sales and profits that exceed the industry average as far as possible. To help us achieve these goals, we have implemented a performance-based remuneration system that is applied across much of the Group at all hierarchical levels.

Guiding Objective. Our business operations are geared towards driving and supporting change within retail banks and retail companies throughout the world. By designing processes and procedures that are as innovative, efficient and customer-friendly as possible, we can help make our customers fit for competition and for the future. Equally, by providing the full range of solutions and know-how our customers need from a single source, acting as "partners in change", we help reduce the complexity of the tasks facing our customers. Naturally, this also has benefits for Wincor Nixdorf. To this end, we continue to bundle our strengths, offer new and competitive services and expand our skills base in a systematic form. Furthermore, our focus on the branch operations of banks and retailers has given us a wide-ranging and deep-rooted understanding of our customers' processes.

The sole criterion guiding all our work is that of maximizing customer utility. We want to create sustainable added value for banks and retailers, and in doing so retain their business over the long term.

Our Strategy. We have defined four strategic levers as the means of driving growth and boosting our performance over the next few years. While all four of these levers complement each other, they can also be used independently to exploit potential new growth.

1. Global Expansion. Our goal is to maintain our position as the outright market leader in Germany and to strengthen our already excellent ranking throughout Europe in both of our business segments. We view Europe as our home market. It is from here that we receive fresh impetus for business development and the driving force required to generate growth at a global level.

Together, Asia/Pacific/Africa and the Americas account for around two-thirds of the global market. It therefore makes sense for us to prioritize further expansion in these regions.

In the Asia/Pacific/Africa region, our goal is a place among the top providers in both of our business segments. In the Americas, we aim to improve our market position significantly.

Emerging markets, especially the BRIC states (Brazil, Russia, India and China), play an important role in our globalization strategy. It is here that retail banks and retailers hope to increase their involvement in response to global economic growth.

2. Innovation. Our strength lies in our ability to innovate, and for this very reason we employ a significant proportion of our staff in Research and Development (R&D). Every year, we also invest over 4% of net sales in R&D projects.

We intend to maintain a high level of spending on R&D and to keep improving our effectiveness in this field.

This high level of spending on R&D is intended to safeguard our leading position as regards innovation. We also aim to further shorten development times and bring new products to the market even more quickly, while of course maintaining the same extremely high level of quality and efficiency.

3. All-embracing, High-quality Services Portfolio. The success of our customers depends critically on outstanding levels of IT system availability and on the efficiency of their business processes. Only if these are in place can they offer their own customers the best possible service and stand out from their competitors.

So that our customers can respond more efficiently and more rapidly to complex changes in their companies' IT requirements and fully exploit the benefits provided by their IT systems, we have combined our know-how into a range of service modules. Our comprehensive service portfolio helps to shape these processes.

Our goal is to open up potential new business by continuously expanding our portfolio – especially Professional Services, Managed Services and Outsourcing (see Our Solutions Portfolio).

4. Expansion and Transfer of Know-how to Other Applications. Wincor Nixdorf is not only growing at a regional level; it is also expanding more and more into new applications that are characterized by similar structures and hence similar IT infrastructure requirements, e.g. post offices and service stations.

We aim to exploit potential synergies and potential growth in related areas of business without losing sight of our principal focus on Banking and Retail.

Parallel Initiatives in Support of Corporate Goals. During the fiscal year under review, as part of its overall strategy, Wincor Nixdorf made strenuous efforts to support growth through targeted marketing activities. At the same time, a series of cost-reduction and efficiency measures were implemented in order to boost profits.

As scheduled, our "ProFuture" program, which was launched across the entire Group in 2009/2010, closed at the end of the last fiscal year (see Costs).

We also maintained our existing programs designed to provide ongoing support for our business strategy. These include "Road to the Top", which focuses on achieving country-specific market objectives, "Prolmprove" to boost profitability and "Innovation & Quality", which supports our capacity for innovation and the quality of our services. In addition, as a means of advancing our corporate culture, we took further steps to implement our business concept "People with Spirit", primarily in the area of personnel development (see Non-Financial Performance Indicators).

To complement these ongoing programs, we launched a number of new projects in the year under review. These are intended, for example, to further enhance the level of professionalism within our sales organization and in the provision of services through global process standardization. They also focus on the development and preparation of new products for subsequent marketing, especially in the emerging markets (primarily the BRIC states). Other Prolmprove projects are designed to improve cost positions through structural change.

OUR SOLUTIONS PORTFOLIO.

To ensure they remain successful over the long term in their respective markets, retail banks and retailers around the globe have to submit their business processes to frequent review. The goal here is to design ever more efficient processes and enhance the company's appeal to its customers by adding new services for end users. Wincor Nixdorf has geared its portfolio towards IT-based services in order to meet these objectives.

Core Competences Sought by Retail Banks and Retailers.

Customer-friendly and Efficient Branches. Branch operations play a key role as part of the overall mix of sales channels in the bank and retail industries. Although bank customers are making increasing use of other services in order to conduct their transactions, the branch remains the most important point of contact and sales channel. The same is true in the retail industry, where the branch's position as the number one sales platform is undisputed, regardless of the retail segment or format. Against this background, banks and retailers are aiming to intensify sales in their branches while at the same time enhancing service quality, efficiency and thus profitability.

Process Optimization. Within this context, Wincor Nixdorf's particular strength lies in its ability to improve the different branch-level processes through the application of information technology and to optimize those processes across every sales channel. By way of example, our portfolio of services can help banks and retailers restructure every aspect of their branch operations – from analysis, consulting and redesign through to implementation and actual operation (WIN@Branch for banks, WIN@Store for retailers).

Cost-efficient and Secure Cash Handling. For retail banks and retailers, cash handling not only involves extensive manual input and substantial costs; it also represents a high security risk. It is for these reasons that we have long since focused on the automation of cash processes; indeed, in this area we have already introduced numerous innovative products to the market. For the first time, our modular Cash Cycle Management Solutions portfolio has very largely automated the cash processes of banks and retailers, closing cash cycles and creating a more efficient cash logistics chain.

Wincor Nixdorf is the only provider in the market able to cover the entire process chain from end to end with its own solutions. For our customers, that means maximum security, the greatest possible degree of transparency, enhanced processes and a reduction in costs of over 20%. Our cash handling optimization portfolio comprises hardware, software, consulting and services.

Hardware: The CINEO systems at the heart of our portfolio feature a standardized banknote storage device that can be exchanged between systems.

Software: We offer a portfolio of software (Cash Cycle Management Solutions Base) that allows banks and retailers to control the management and optimization of their cash processes themselves – all the way from the branch to the Central Bank. The individual applications that make up the portfolio perform a range of tasks, e.g., branch-wide cash stock forecasting and optimization, order management, tracking ("Track and Trace") and reporting.

Consulting and Services: Wincor Nixdorf offers a range of consulting services to help its customers design their cash processes and provide a firm foundation on which to base their investment decisions. These include cash cycle management consulting, which begins by analyzing the customer's processes using a newly developed software tool. Another service we offer to banks and retailers involves the outsourcing to Wincor Nixdorf of their entire cash management operations, from the filling and emptying of systems through to the coordination of cash-in-transit (CiT) companies.

Solutions for Cashless Transactions. In addition to its cash process solutions, Wincor Nixdorf can provide software and concepts for the processing of cashless transactions. Our Cashless Payment Solutions portfolio uses a standardized method to settle transactions in both the retail banking and retail industries that are received via the systems operated by re-

tail banks, through checkout systems, over the Internet or via other sales channels. Our end-to-end software handles processes such as recording, identification and authorization and then forwards the data to the target systems. We have also developed a component that helps to avoid the fraudulent use of card data. As well as processing electronic payments, Wincor Nixdorf's portfolio includes integration and business management services.

Process Automation. Our core competences also include solutions for the automation of many other business processes for retail banks and retailers at branch and branch network level, and we strive continuously to expand the scope of these applications. We start by shifting manual processes, such as transactions and information, on to a self-service basis. This is followed by the automated provision and analysis of customer data, which can then be used across different sales channels (e.g. in direct marketing).

Consulting, Solutions Development and IT Integration from a Single Source (Professional Services). Our global Professional Services units provide retail banks and retailers with consulting services and software from Wincor Nixdorf and other specialist providers with the focus on individual integration.

Our Professional Services for banks are divided into Consulting Services, Technology Services and Application Management. Consulting Services focus on the optimization of business processes in the area of cash logistics, specialized process consulting for core banking applications and the evaluation of industry-specific applications. Technology Services cover the development and integration of software architecture concepts and new applications. Application Management involves the long-term maintenance and regular updating of applications. Our key competences here lie in the area of branch applications to optimize customer interaction and innovative self-service solutions.

Specifically for retailers, we offer a range of consulting and integration and customizing services. In the area of consulting, we combine expertise in both methods and processes and help our customers to deal with strategic and operational issues by providing defined consulting packages and a uniform methodology. This might involve advising our customers on how best to restructure the checkout area, cash processes or solutions at head office level such as SAP applications.

In the context of integration, we support the piloting, implementation and roll-out of total solutions in both industries. Our services include project management, functional and technical design and software development. This may be achieved using a combination of our own solutions, others provided by our partners and industry-standard solutions such as SAP. Within the German-speaking region, we have established a leading position for end-to-end SAP consulting in the retail industry.

To strengthen its market profile, Wincor Nixdorf has begun to merge its project implementation expertise into global, cross-industry practices, e.g., in the areas of Cash Cycle Management Solutions (CCMS) and Cashless Payment Solutions. We have made further steps towards global standardization in the field of project development. The aim is to implement internationally standardized methods and tools and a uniform infrastructure across all segments on the basis of uniform concepts of IT architecture.

Ensuring Maximum Availability of Installed IT Systems and Cost-efficient Operation. The majority of services we offer involve product-related service agreements covering the entire product life cycle of customer systems – from roll-out, installation and implementation through to maintenance and repair, support desk solutions and supplies of consumables.

Our range of Managed Services for business management includes the remote monitoring, preventive maintenance and operational control of self-service terminals (Managed SST) for retail banks and the operational management of checkouts and self-service systems (Managed POS) for retailers. We see ourselves as a partner over the entire life cycle of a branch (Managed Total Store for retailers / Managed Total Branch for banks) – from the point of opening (New Store Opening), when we can provide and operate the branch-related IT infrastructure, through to its refurbishment or closure. Managed Services are modular and can be combined to meet each customer's individual requirements. As well as generating cost savings, they ensure cost transparency and planning security in the operational management of IT resources.

Our Managed Cash portfolio is designed to optimize the management of the cash stocks held by our customers, including the control and monitoring of CiT companies.

Our Outsourcing services are primarily aimed at the banking industry and involve our taking over operation of the customer's IT infrastructures and self-service terminals. To this end, we implement a range of solutions covering Product Related Services and cash management through to the processing of cashless transactions. Subject to a separate contractual agreement, we can also take over responsibility for those staff who previously carried out these functions for the customer.

The technical basis for managing and providing all our services is Wincor Nixdorf's eServices Platform, which acts as the nerve center for the remote monitoring and control of customer infrastructures and processes insofar as they concern IT-based operational management. With regard to cash management, it also facilitates cash-stock forecasting and optimization as well as order management for CiT companies. Our newly developed Connectivity Box can also be deployed as an interface between individual customer systems and the eServices Platform. Its purpose is to monitor customer systems and provide information about their status, e.g. in the event of disruption.

In order to achieve a greater level of efficiency, we combine tasks and functions into organizational units (Global Service Delivery Centers). Our central Customer Care Center handles over 10,000 calls a day around the clock and in 30 languages. In some countries we have set up specialist teams to oversee the global system management of complex international projects. The cost of storage and rapid delivery of spare parts is reduced by the development of logistics centers.

We also work with a network of certified partners in order to guarantee uniform quality of service in those countries where we do not have our own support teams.

Additional Solutions for Retail Banking.

Automation and Self-service. One of our goals is to relieve branch staff from routine and manual activities while at the same time allowing banks to offer their services seven days a week around the clock. To this end, Wincor Nixdorf can automate those processes that do not form part of the bank staff's core duties (e.g. cash disbursement and the deposit of banknotes, checks and coins) by migrating them to self-service. In systems equipped with our cash recycling technology, cash

deposited in ATMs and automated teller safes is first subjected to a counterfeit check before being made available once again for disbursement. Our portfolio of self-service systems is currently the most comprehensive on the market.

The incorporation of new hardware components and software applications into our systems allows us to expand the range of services we offer to consumers, including ticket issue, topping up of pre-paid cell phone cards and bill payments using a self-service system. Our self-service portfolio also includes transaction terminals and statement printers.

Protection against Criminal Attack. Security generates confidence, so establishing a secure environment in every area of the bank's operations – from data protection and building security through to processes and sales channels – is of critical importance. Our security portfolio offers solutions to counter a large number of potential attack scenarios that range well beyond the well-known threat of ATM skimming. The protection we offer covers data, software and cash security, identity and access controls and the monitoring of branch security. Our entire portfolio of security solutions is updated constantly to include new consulting and support services. We also offer our customers an option to link their branches for monitoring purposes to our own security center. One of our latest developments is the Dynamic Fraud Management Solution, which combines information from different sources and subjects it to intelligent analysis so that follow-up action to prevent damage can be initiated more rapidly and in a more targeted manner.

Centralized Process Management using Consistent Customer Data. Bank customers use a wide range of channels to communicate with their bank. Whichever channel they choose – the branch, the self-service terminal or mobile banking – they expect to find a consistently high level of service and a uniform image. Wincor Nixdorf's Retail Banking Suite (ProClassic/Enterprise Retail Banking Solution Suite) helps banks to implement corresponding multi-channel strategies.

Our Retail Banking Suite lays the foundation for process standardization and for the standardization and optimization of IT infrastructures. It allows banks to assign customer-based transactions into different sales channels and manage them as a whole. Our portfolio of services in this area includes applications that control self-service processes, staff-operated branch activities, system monitoring, mobile banking and cashless transactions. Since the Retail Banking Suite is designed as a service-oriented architecture (SOA), applications can be imple-

mented rapidly. As part of our service portfolio, we also offer our customers an option to outsource the operation of the Retail Banking suite to us – from software implementation, regular updates and rights management through to remote monitoring and consolidated reporting.

Additional Solutions for the Retail Industry.

The Checkout Process. The nerve center of any retail branch is the checkout. It is this area that determines the customer's final impression and level of satisfaction before leaving the store, so delivering a positive retail experience at the checkout (scan and pay process in retail branches) is very important. In addition, the checkout generates crucial data, e.g. to control the logistics chain from the point of sale to reordering.

Our modular solutions portfolio has been designed to meet every possible requirement in the checkout process. Wincor Nixdorf offers automated systems to handle both self-service and cashier-operated scenarios in the checkout area, e.g. self-checkout, specially designed for smaller shopping baskets, where customers scan and pay for the goods themselves at a self-service terminal. We have also developed solutions for mobile in-store shopping, whereby customers scan the products themselves and then pay at a cashier-operated or self-service checkout. This approach is particularly suited to customers with larger purchases.

Our portfolio now includes the 360 Scan Portal, a new automated scanning solution that speeds up the scanning process. This system makes it possible to scan all the items on the conveyor automatically without the cashier having to pick them up. The subsequent payment process can be integrated into the system or performed separately via a payment terminal. Each checkout scenario is covered by a uniform software platform, the TP Application Suite, which now includes an upgraded version of the self-service application TPiSCAN. The complete range of checkout functions in the store can now be called up not only in mobile form but also by a simple click at any self-checkout solution or payment point. This saves on space and costs and delivers a flexible and even better service to the customer.

Thanks to the integration of components from our Cash Cycle Management Solutions portfolio, our checkout solutions can also be used to optimize cash processes. Wincor Nixdorf is the only provider to offer a uniform technology-based approach to the automation of cash handling in different checkout scenarios, in retailers' cash offices and at banks.

One growing trend in the retail industry is mobile couponing. Customers who receive coupons on their mobile phones can redeem them at the checkout. In response, we have adapted and refined image scanner technology to identify and process the coupons, which are displayed on the mobile phone screen.

Our versatile and modular BEETLE family is a hardware platform technology for checkout and other retail industry solutions which we continuously optimize with regard to factors such as total cost of ownership (TCO) and Green IT in response to growing interest from retailers in solutions that avoid the use or production of toxic substances and reduce energy consumption.

Solutions for Other Processes. Wincor Nixdorf's portfolio of retail industry solutions extends beyond the checkout area to encompass other branch processes including kiosk solutions for customer information, electronic shelf labels for centralized price display and reverse vending.

Reverse Vending. The complex nature of the reverse vending process throws up a number of issues. On the one hand, the systems need to ensure the greatest possible level of availability; on the other hand, given the increasing variety of drinks containers and the intricate methods of offsetting (including between retailers), transparency is also vital. In this area, Wincor Nixdorf offers numerous automated solutions that can process the return of single-use and multiple-use containers in the form of glass, PET, cans and cartons. In response to consistently rising demand for materials such as PET, aluminum and steel, there is growing interest in the recycling of these materials, with a view to selling them on at a profit. This creates new business opportunities for reverse vending machine operators, regardless of whether their countries have introduced statutory deposit return schemes.

A Central Software Platform for Global Branch Management. For global retail groups, standardized and internationally available software platforms are a top priority as they provide the only way in which retailers can control all branch- and head office-related processes. Wincor Nixdorf's highly successful Retail Suite meets this demand. Since 2004, we have sold approximately 120,000 licenses, primarily to major international retail groups.

This standardized solutions platform provides across-the-board support for all value-based processes within retail companies regardless of their size or business segment. Wincor Nixdorf's Retail Suite covers a wide spectrum of applications from central control and management of the entire branch network through to solutions for different retail sales channels and from various checkout scenarios through to out-of-store sales concepts, delivery services and the integration of eCommerce solutions. Our TPCash module, just one element of our software portfolio, controls all cash processes within the branch. It ensures intuitive use, security and transparency. Among the new functions developed by Wincor Nixdorf is an automatic balancing process that optimizes the readiness of cash recycling solutions in the checkout area for deposit and disbursement.

Our Solutions Portfolio for Other Applications.

Our expertise also comes to the fore in other industries of the economy with a similar structure to that of banks and retailers. For example, we have helped postal operators to restructure their branch networks by supplying automation solutions to manage their counter and self-service operations. The software components that make up our Postal Suite (ProClassic/Enterprise Postal Solution Suite) make business processes more efficient and deliver greater transparency throughout the network thanks to a range of branch applications and central management tools.

We also help companies in the local and regional passenger transport sectors to implement multi-channel strategies with solutions for the front and back office. Our solutions include systems for the ticket desk area, e.g. kiosk terminals, mobile payment systems and mobile terminals for the train crew.

Our dedicated Service Station Suite (NAMOS Application Suite) allows companies operating in this sector to control and monitor all their processes from the fuel pump and checkout to the back and head office. In order to save energy, Wincor Nixdorf has developed a centralized solution that can be implemented globally to monitor and optimize all the electronic systems and installations at the service station such as the lighting, water supply and air conditioning. In addition to these dedicated service station solutions, many petroleum companies also use our electronic checkout systems and outdoor payment terminals.

So far, results from the cash management solution we implemented for one of the biggest international service station operators in Germany in fiscal 2009/2010 have been positive. The solution allows customers to withdraw cash at the service station using their EC card. The service has already been used by around 1.5 million customers to make 7.8 million transactions. There is a benefit to the service station, too, because of the increased recycling rate. At the same time security is enhanced considerably.

BUSINESS ENVIRONMENT.

Global Recovery Followed by Uncertainty. The global economy experienced a gradual weakening over the last fiscal year. While 2010 seemed to mark the end of a two-year period of economic crisis with worldwide growth of 5.1%, expectations for 2011 were already less confident, with the high level of national debt in some European countries and the huge debt of the United States casting gloom over forecasts. In light of this uncertainty, in September the IMF downgraded its initial forecast of 4.3% for global growth in 2011 to 4.0%.

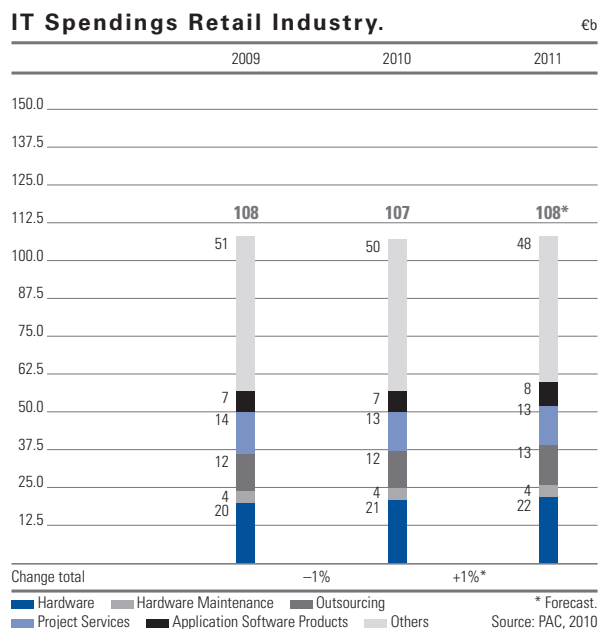
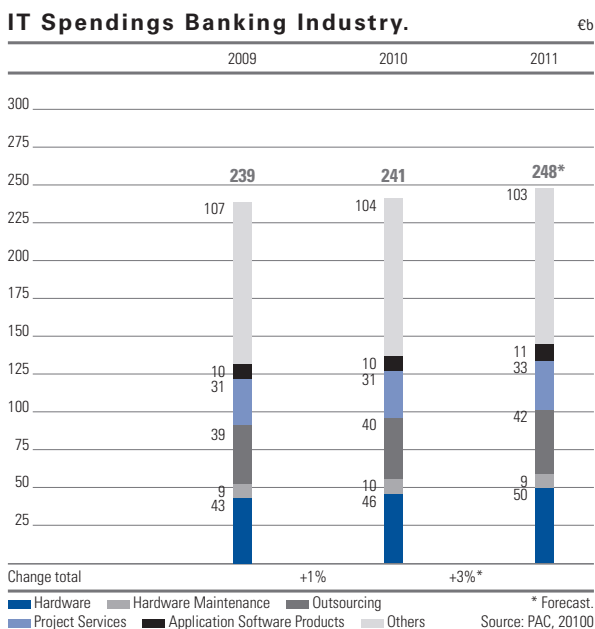
In its September review, the IMF predicts growth of 2.7% for Germany in 2011, the highest figure among the leading seven industrial nations. By contrast, its forecast for the eurozone as a whole stands at 1.6%. It sees the main dangers as sovereign indebtedness in Greece, Ireland, Portugal, Spain and Italy.

The IMF believes that growth in Asia will remain strong. It expects the region's GDP to expand by a further 8.2% in 2011, with China (9.5%) and India (7.8%) leading the way.

According to the IMF's forecast, the U.S. economy is set to grow by 1.5% in 2011. Consumer spending, which accounts for 70% of the country's economic activity, has been hit primarily by efforts to reduce personal debt in conjunction with the on-going real estate crisis and a high level of unemployment.

Unstable Currency Developments. At the beginning of the fiscal year, the euro stood at USD 1.37. Although it subsequently declined to USD 1.30 in December 2010, it then embarked on a continuous upward trend to reach a high for the year of USD 1.48 at the end of April. From this point onwards, in response to the debt crisis in some European countries, the euro proved more volatile and declined to USD 1.35 by the end of our fiscal year.

Developments in the IT Market for Retail Banking and the Retail Industry. The main trends affecting business in our two target industries continued to influence developments in the year under review. For banks and retailers, investment in IT remains one of the most important levers when it comes to achieving greater efficiency. Only IT makes it possible to reduce costs and at the same time gain a competitive edge by offering new services.



By expanding their branch and sales networks, banks and retailers are also able to participate in economic growth, especially in emerging markets, and to extend the range of their business activities by exploiting conventional and established sales channels.

According to the market research company Pierre Audoin Consultants (PAC), total IT investment in the banking and retail industries increases in 2011. In 2010, banks invested €241 billion and retailers €107 billion in IT (divided into business category: Hardware, Hardware Maintenance, Project Services, Outsourcing and Application Software Products). The corresponding figures for 2011 are expected to rise by 2.8% for banks to just under €248 billion and by 0.7% for retailers to around €108 billion.

GROUP BUSINESS PERFORMANCE.

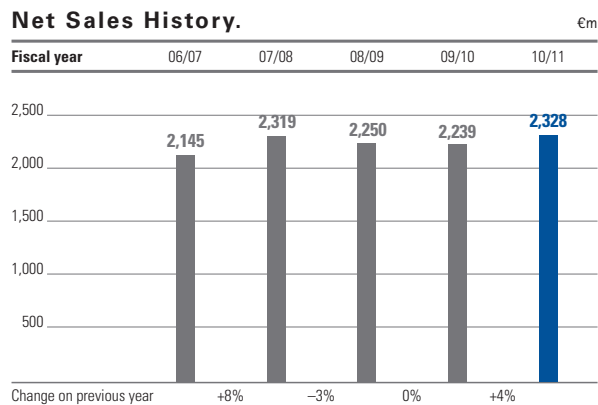
In the two fiscal years preceding the year under review, Wincor Nixdorf was able to limit the impact of the global economic crisis on the company. Overall, net sales fell by just 3%, while our operating profit was down 21%. We had anticipated a return to sustained growth in fiscal 2010/2011 and consequently forecast rises of 6% and 8% respectively in net sales and operating profit. However, our forecast was always subject to a rapid recovery in our markets and was soon overshadowed as the unpredictable consequences of excessive government debt in some EU states began to unfold.

It also became apparent that the recovery in our key markets was making only slow progress. In the end, the conditions that needed to be in place for us to achieve our original targets were neither consistent nor sufficiently robust. While retail banks and retailers did go ahead with delayed capital expenditure on new systems, many investments in larger-scale streamlining and automation projects proved to be less substantial than anticipated. This impacted on our high-end business, which accounts for a large part of our sales and delivers high profit margins. Other company-specific factors – our performance in the Americas and the introduction of our new CINEO system family – also meant that business was unable to develop along the lines originally planned.

At the end of the first half-year, in response to these developments, Wincor Nixdorf took the decision to revise its forecast. The company stated that it expected net sales for 2010/2011 to grow by 4%, with an operating profit at or slightly above the level of the previous fiscal year. These figures were subsequently achieved, thanks to a tremendous effort.

Net Sales. Revenue from Group net sales for fiscal 2010/2011 rose by 4% to €2,328 million (2009/2010: €2,239 million). Adjusted for currency fluctuations between the euro and the U.S. dollar, the increase was 3%.

Net Sales History.



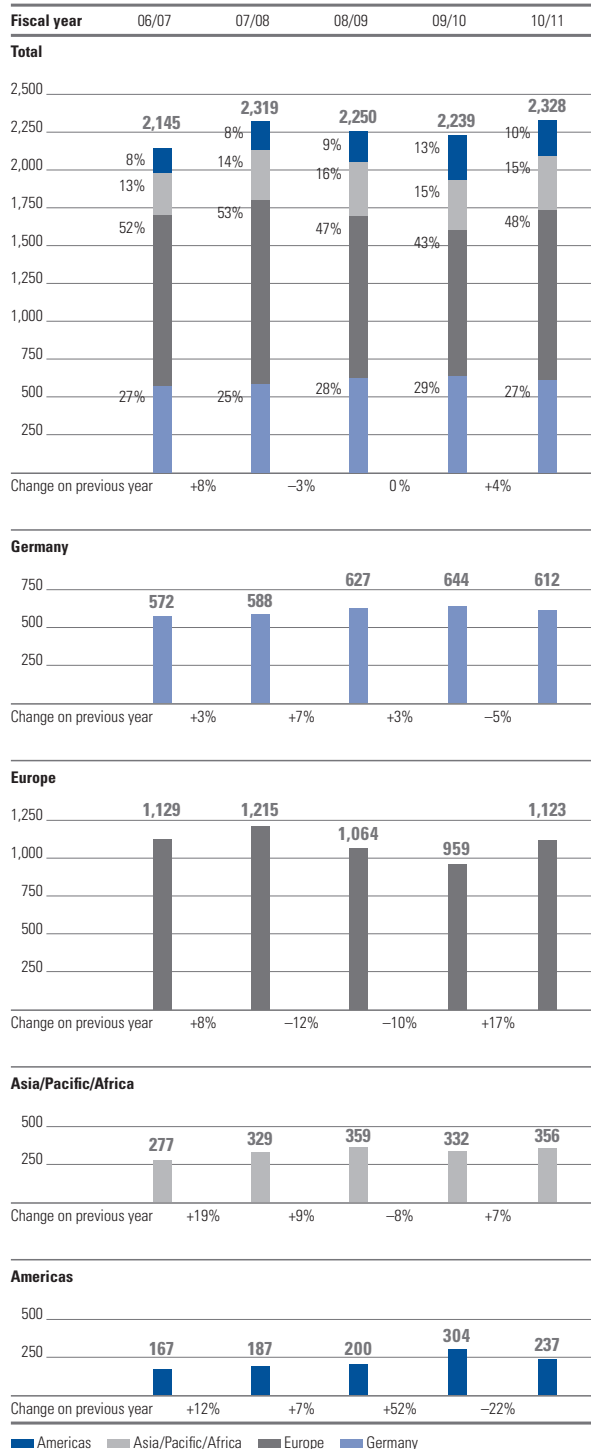
Regional Performance. Our performance in different geographical areas also largely reflects global economic trends, albeit with a few company-specific exceptions based on unusually strong business in the previous year.

Total net sales in **Germany**, which had received a boost in the previous year from particularly large roll-outs, fell by 5% to €612 million (2009/2010: €644 million). As a result, the country's contribution to the overall Group figure stood at 27% (2009/2010: 29%).

In **Europe** (excluding Germany), net sales were up 17% at €1,123 million (2009/2010: €959 million), although a number of countries, especially in southern Europe, continued to lag behind the general trend of strong growth. At 48% (2009/2010: 43%), Europe (excluding Germany) again accounted for the largest share of total Group sales in the year under review.

Changes in Regional Sales Trend.

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Net sales in the **Asia/Pacific/Africa** region rose by 7% to €356 million (2009/2010: €332 million). As a result, the region's share of total Group sales remained at 15%.

In the **Americas**, net sales fell by 20% measured in U.S. dollars. When expressed in euros, the decline was 22% to €237 million (2009/2010: €304 million). In this region, Wincor Nixdorf was unable to pick up on the outstanding sales figures of the previous year, which were due to a number of major orders. The share of Group net sales generated by the Americas fell accordingly to 10% (2009/2010: 13%).

Performance by Business Stream. After a substantial downturn in the previous year, the **Hardware** business achieved a small increase in net sales in fiscal 2010/2011, although overall it remained below our original estimates at the start of the year. By contrast, the **Software/Services** business continued to perform well and delivered stronger growth in revenue.

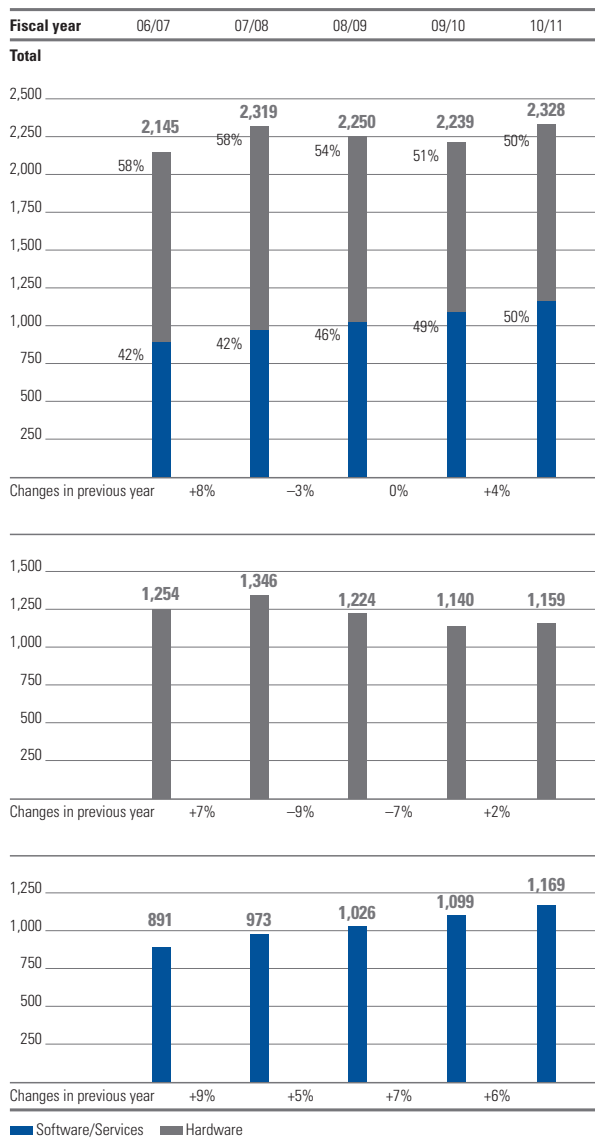
Revenue from the **Hardware** business rose by 2% to €1,159 million (2009/2010: €1,140 million). The **Hardware** business accounted for 50% of the Group's total net sales (2009/2010: 51%). Although results in the retail banking segment were only roughly on a par with the previous year, there was a marked increase in revenue from electronic point-of-sale (EPOS) systems for the retail industry. However, sales of high-end systems remained below expectations in both segments (see Segment Performance). The ongoing global roll-out of CINEO, our innovative system family, continued throughout the reporting year, with the result that CINEO was still unable to contribute significantly to **Hardware** sales (see Segment Performance).

Net sales in the **Software/Services** business ended the year 6% higher at €1,169 million (2009/2010: €1,099 million). Accordingly, the share of total Group net sales generated by **Software/Services** rose to 50% (2009/2010: 49%).

The **Software** business was boosted by the continued development of different components in our Retail Banking and Retail Suites as well as their equivalents for the postal and service station business. In the year under review, we also achieved positive results from the consistent expansion of our software-related services such as Software Adaptation and Integration (Professional Services).

As in previous years, there was renewed growth in **Services**, predominantly as a result of increased revenue from the Product Related Services business, which continues to account for the largest part of the **Services** business (see Segment Performance). Furthermore, the contracts we sign with our customers mostly run over several years and therefore deliver a steady source of revenue. We also widened our portfolio, helping us to strengthen our customer base.

Net Sales Split: Hardware and Software/Services.



By expanding our network of partners, we were also able to offer our services in those countries where we do not have our own service organization.

Managed Services delivered another very good performance, with significant increases in revenue from hardware-independent projects in areas such as cash management and cashless transaction processing. Increasingly, we are now able to offer our full range of Managed Services in Asia.

In Outsourcing, we primarily maintained existing partnerships in Germany, the Netherlands and the U.K., in some cases with the addition of new services.

Costs. Wincor Nixdorf successfully pursued its Group-wide programs for cost management – Prolmprove und ProFuture – over the course of fiscal 2010/2011. The ProFuture program, which was completed as scheduled at the end of the year under review after a period spanning two years, included measures aimed at optimizing global processes. The focus of structural improvements implemented in line with this program was on functions associated with service, product deployment and administration. As regards Prolmprove, the emphasis was on reducing product costs. Covering a wide range of areas, this program is to be stepped up in the fiscal year 2011/2012 in the form of a continuous improvement initiative.

Despite the above-mentioned programs, the gross margin on net sales contracted by 0.6 percentage points to 24.5% (2009/2010: 25.1%), primarily due to the effects of product mix and reduced economies of scale, as well as the persistent pressure exerted on prices.

Research and Development costs declined by 1% or €1 million to €100 million in the reporting period (2009/2010: €101 million). Consequently, the R&D ratio was slightly down at 4.3% (2009/2010: 4.5%).

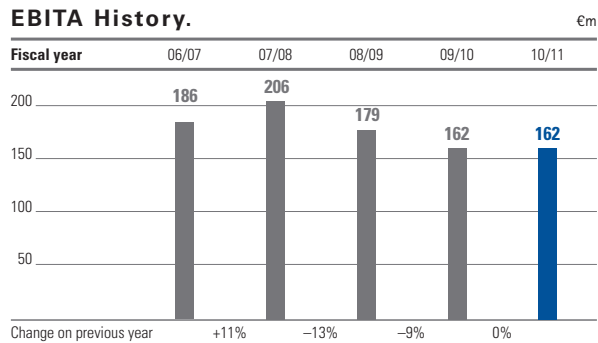
The ratio of selling, general and administration expenses to net sales improved by 0.2 percentage points, taking this figure to 13.2% (2009/2010: 13.4%). Selling, general and administration expenses, including other operating income and expenses, stood at €308 million at the end of the reporting period (2009/2010: €299 million).

Profit. At €162 million, operating profit (EBITA) was identical to the figure posted for fiscal 2009/2010. The EBITA margin contracted slightly by 0.2 percentage points to 7.0% (2009/2010: 7.2%).

The financial result fell by €1 million to –€7 million (2009/2010: –€6 million) mainly due to an increase in average debt.

Profit before income taxes was down by €1 million to €155 million (2009/2010: €156 million). The Group's effective tax rate fell to 30% (2009/2010: 32%) due to the fact that the various regions developed along different lines.

Profit for fiscal 2010/2011 rose by 2% or €2 million to €108 million (2009/2010: €106 million). The return on net sales declined slightly to 4.6% (2009/2010: 4.7%).

EBITA History.

Dividend. Wincor Nixdorf remains committed to its existing dividend policy: as regards the dividend for fiscal 2010/2011, profit for the period in the amount of €108.3 million will again form the basis for dividend calculations. Of this amount, approx. 50% is to be distributed to shareholders in the form of a dividend.

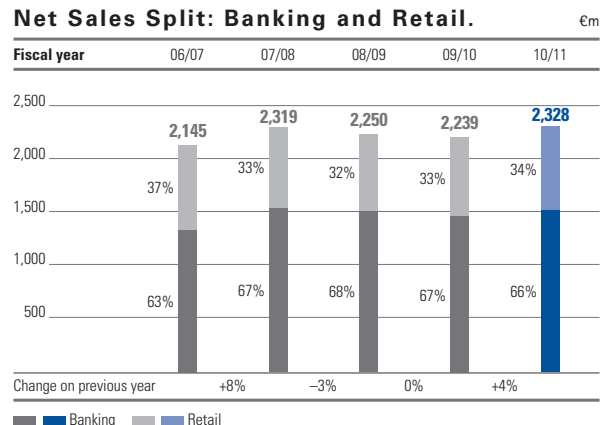
For the reporting period, a dividend of €1.70 per qualifying share will be proposed to the Supervisory Board, unchanged year on year. This corresponded to a total dividend payment of €50.6 million on the date on which this report was released by the Board of Directors. Based on the closing share price as of September 30, 2011, the dividend yield is 5.0%. The dividend will be paid out on January, 24, 2012, subject to the approval of the AGM.

According to the German Stock Corporation Act, the distributable dividend is calculated on the basis of net retained profit, which is presented in the financial statements of Wincor Nixdorf AG prepared in accordance with the German Commercial Code. As of September 30, 2011, the net retained profit of Wincor Nixdorf AG was €198.3 million. The undistributed portion of net retained profit, equivalent to €147.7 million, will be carried forward to new account.

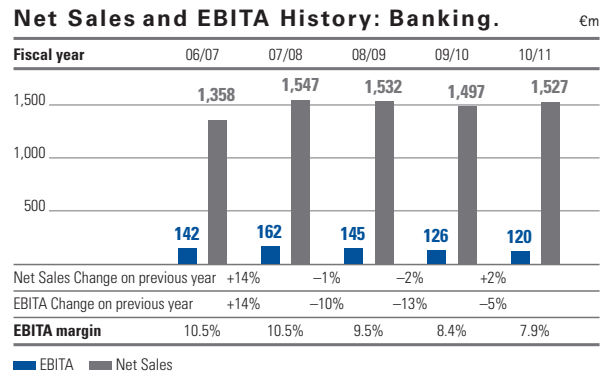
In fiscal 2010/2011, a total of €53.1 million (€1.70 per share) was distributed to the shareholders of Wincor Nixdorf AG.

SEGMENT PERFORMANCE.

Both business segments contributed to the growth in Group net sales. While net sales in Banking only showed a small increase after a fall in the previous year, the Retail segment reported a substantial rise in the year under review. Correspondingly, the Banking segment's share of total Group net sales declined to 66% (2009/2010: 67%), while the contribution of the Retail segment rose to 34% (2009/2010: 33%).

Net Sales Split: Banking and Retail.**Banking Segment.**

Net sales in the Banking segment were 2% up on the previous year (2009/2010: €1,497 million) at €1,527 million. EBITA fell by 5% to €120 million (2009/2010: €126 million). The EBITA margin declined accordingly by 0.5 percentage points to 7.9% (2009/2010: 8.4%).

Net Sales and EBITA History: Banking.

The list below summarizes the main developments in the Banking Segment (including the Group's postal business – see Our Solutions Portfolio) during the year under review.

Systems for the Self-service Sales Channel.

We pressed ahead with the ongoing global introduction of CINEO, our new system family – from the completion of our portfolio to system certification and the first roll-outs. We have now installed transaction terminals from the CINEO system series at numerous banks throughout the world.

Cash Cycle Management Solutions. In the fiscal year under review, we expanded our portfolio to include new consulting, software and service components that can be combined depending on the target process. A number of consulting projects using a newly developed analytical tool have confirmed that our solutions concept can generate cost savings well in excess of 20%.

Bank Branch Business. We again demonstrated our ability to take over entire branch sales and services restructuring projects. We were delighted to note that a well-known trade magazine awarded one of the branches redesigned by Wincor Nixdorf on the basis of the WIN@Branch portfolio its "Office of the Year" accolade.

Retail Banking Suite. Our software for processing cash and non-cash transactions in the counter/checkout area and for self-service applications was successfully linked to the core banking application SAP Banking Services and certified by SAP. This means the software can now be integrated seamlessly and efficiently wherever SAP itself is used.

Security. A new anti-skimming module that works with an optical recognition procedure to prevent the manipulation of cash systems attracted great interest throughout the market.

Professional Services. During the year under review, we expanded this portfolio of services around the globe, in part through the takeover of Madrid-based Dynasty Technology Group S.A. (see The Wincor Nixdorf Group).

Postal Business. We successfully adapted and marketed some of the components from our Banking Solutions portfolio to perform specific tasks in the postal industry. Thanks to its portfolio of specially adapted Professional Services, Wincor Nixdorf has now established itself as a provider of integrated solutions for postal banks.

Regional Performance. The Banking business in Germany was unable to sustain the positive results of the previous year, when the major banks in particular invested heavily in new systems and consequently spent less on self-service and automation technology in the year under review. Nevertheless, we generated a continuous stream of revenue from services

and IT business management projects for major banks and in the savings bank sector as well as from services provided to public-sector institutions and cooperative banks.

Our Banking business in Europe (excluding Germany) showed a significant improvement, although it was noticeable that many retail banks, especially in Southern and Eastern Europe, were less inclined to invest. The trend towards process automation was maintained, above all in Western Europe. At the same time, we expanded our business in the area of Product Related and Managed Services, involving for example our taking over entire responsibility for equipping branches and managing their IT operations. Once again, East European retail banks failed to match previous levels of investment in IT. Despite this, we expanded our Services business significantly and have been very successful in Russia, where we have now established a leading market position with our own services organization only a few years after it was launched.

Net sales remained buoyant in the Asia/Pacific/Africa region. Indian banks in particular showed an interest in the systems developed by Wincor Nixdorf specifically for this market. In addition, we persuaded several Chinese banks to act as pilot customers for our new CINEO Cash Recycling systems. Overall, we made further headway in Asia with our Services business, especially in the area of Managed Services.

In the Americas we were unable to maintain the levels of the previous year, when business was largely driven by major orders for high-end solutions from North America, with a focus on the automated acceptance and processing of checks and cash. We achieved modest growth in Latin America, partly thanks to the expansion of our Services business. In Brazil, however, our biggest Latin American market, there was downward pressure on prices in the hardware business as a result of intensive competition.

Performance by Business Stream. If we look at performance by Business Stream, Hardware sales remained at the level of the previous year.

To some extent, this was due to a fall in prices for cash systems, leading to a decline in revenue, even though demand remained firm. At the same time, the contribution by our high-end business was less pronounced, partly because the previous year's figures for Germany and the Americas had been so impressive and partly on account of a reluctance to invest in several south European countries.

Our new CINEO systems made no significant contribution to overall business, although the focus in the reporting year was on delivering the up-front services linked to their global introduction, e.g., country-specific adaptations and certifications. We installed a number of systems for the first time on behalf of some of our strategically important customers in Europe and Asia and then began the first roll-outs.

Non-Cash Products such as transaction terminals and statement and receipt printers were in particular demand in Europe. In this region, we rapidly obtained certification for our CINEO systems and installed them in some roll-outs.

Software/Services in the Banking Segment delivered a solid overall performance.

The **Software** business was boosted by extensions to our portfolio. There was a substantial improvement in **Services** thanks in part to numerous contracts for Product Related Services in conjunction with contracts to supply new hardware. In addition, customers extended their maintenance agreements in line with the extended operational life of their existing hardware systems.

Managed Services again delivered very strong growth. For an increasing number of banks, Wincor Nixdorf's portfolio of Managed SST Solutions (see Our Solutions Portfolio) proved to be very attractive, not least in view of the greater pressure on costs. Many customers also extended their existing Product Related Services agreements into Managed Services contracts.

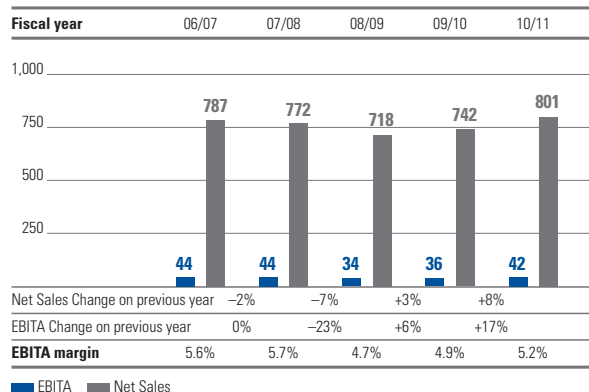
There was a small increase in our Outsourcing business with banking customers. In the year under review, our joint ventures Wincor Nixdorf Portavis GmbH and Prosystems IT GmbH together provided outsourcing services to over fifty German savings banks, covering network operation, IT infrastructures, software and license management and helpdesks for specialist banking applications.

Retail Segment.

Net sales in the Retail segment rose by a very encouraging 8% to €801million (2009/2010: €742 million). EBITA was up 17% at €42 million (2009/2010: €36 million). Accordingly, the EBITA margin went up by 0.3 percentage points to 5.2% (2009/2010: 4.9%).

Net Sales and EBITA History: Retail.

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The list below summarizes the main developments in the Retail Segment (including our service station business – see Our Solutions Portfolio) during the year under review.

Electronic Point of Sale (EPOS). The main focus of our development work on EPOS systems was on technology optimization, e.g., new processors and new operating systems, partly in order to enhance performance. Above all, we achieved an improvement in the total cost of ownership and resource use of our systems.

Automated Checkout. In collaboration with a leading international company, we extended the scope of our automated checkout portfolio to include the "360 Scan Portal" (see Our Solutions Portfolio).

Retail Cash Management. During the year under review, there was particular interest in cash office automation, and we implemented a number of successful projects on behalf of major retailers. With a view to exploiting the maximum potential for optimization, many retailers also aim to take a further step by automating cash handling processes in the front office.

Software for the Retail Industry. We added a number of new applications to our software portfolio in the enterprise area, i.e., at head-office level. One of our new solutions allows retailers to plan and manage the deployment of personnel.

Professional Services. In this area we focused predominantly on the expansion of our consulting services (see Our Solutions Portfolio).

Reverse Vending. Development of the future modular generation of products was close to completion at the end of the reporting period, and we plan to launch them in the next fiscal year. We also presented a new software component with added-value functions such as coupon issue, e.g., in order to strengthen customer loyalty.

Service Stations. We extended our service station branch management portfolio to include a new Forecourt Controller component. Wincor Nixdorf develops its own, fully integrated solution in an area that we previously covered with partners. The interface controls and monitors forecourt devices such as the car wash and fuel pumps.

Regional Performance. The Retail business in **Germany** performed well, although results were below those of the previous year, which had been boosted by a particularly large order in the service station business.

Europe (excluding Germany) made a substantial contribution to growth in the Retail segment. This was mainly due to strong business in the area of checkout systems and automated checkout solutions in France, the U.K., Turkey and Eastern Europe.

Retail sales in the **Asia/Pacific/Africa** region also increased, especially in key markets such as China, India and Indonesia, thus providing a firmer basis for the future.

There was an encouraging level of growth in the **Americas**, albeit from a low base. Here, too, the main driver was our checkout systems business.

Performance by Business Stream. Of Wincor Nixdorf's business streams, it was **Hardware** that made the greatest contribution to sales growth in the Retail segment.

During the year under review, deliveries of EPOS systems rose by a considerably higher margin than the market as a whole. Although these systems play a fundamental role in our retail operations, tough competition in this market puts tremendous pressure on prices and margins. In this context, our BEETLE platform strategy and ongoing product developments proved all the more valuable. As evidence that our long-term strategy is paying off, we are pleased to note that in 2010 we captured the number two spot worldwide with regard to the volume of deliveries (Source: RBR survey). By contrast, our high-end business was unable to match the level of the previous year.

During the year under review, Wincor Nixdorf secured orders for several international projects in the kiosk area, and there was particular interest in a new terminal based on the CINEO family. As part of another international project in the area of system gastronomy, we began to roll out a customized terminal that greatly speeds up the order process for end-customers.

Wincor Nixdorf also strengthened its international profile in the reverse vending business. We maintained a good market position in both Germany and Europe, although overall volumes remained below our expectations. We expect to drive future growth in part by breaking into markets in several countries without statutory reverse vending schemes and by exploiting the anticipated potential for sales in Germany and other North European countries.

The **Software/Services** business delivered renewed growth.

Thanks to a further improvement in our **Software** business during the reporting year, we were able to strengthen our position as one of the world's leading software providers for the retail industry. Sales here were boosted primarily by software projects with major international retailers, e.g., in Germany, Denmark and Russia. We were particularly successful in the fashion sector but also managed to break into new areas, as shown by our first project for a German drinks retailer. Overall, we are pleased with the level of growth we achieved with consulting and integration services.

Wincor Nixdorf's **Services** business also grew, led by Product Related Services for newly supplied EPOS and reverse vending systems as well as for our service station business, where we now provide solutions to enhance system availability.

Managed Services for checkout and self-service systems also performed well, thanks mainly to New Store Opening projects in several Asian countries and to strong demand in this region for Managed Total Store solutions.

In Asia, Russia and elsewhere, we attracted new customers with our tried-and-tested service concepts for international retail chains wishing to expand their global branch network and provided IT infrastructure support for the opening of new branches. We also expanded our service in hardware-independent areas. In Italy, for example, we have now taken over the electronic processing of meal vouchers including complete settlement of cashless transactions.

PERFORMANCE, FINANCIAL POSITION AND ASSETS.

Performance. In the fiscal year under review, the Group's profit for the period rose by 2% to €108 million (2009/2010: €106 million).

Reconciliation of Result from Business Operations (EBITDA).

	2010/2011	2009/2010
Profit for the period	108	106
+ Income taxes	47	50
+ Financial result (Finance costs – Finance income)	7	6
EBITA	162	162
+ Amortization/depreciation of tangible fixed assets and licenses	54	52
+ Write-down of reworkable service parts	9	9
EBITDA	225	223

The Group's net sales ended fiscal 2010/2011 up 4% at €2,328 million (2009/2010: €2,239 million). Revenue for the Banking segment grew by 2%, while the Retail segment recorded an 8% rise.

Once again this year, Wincor Nixdorf's aim was to improve its cost structure. To this end, we continue to implement our Group-wide "Prolmprove" program, which forms the basis of efficient cost management.

Despite these efforts, the gross margin on net sales fell by 0.6 percentage points to 24.5% (2009/2010: 25.1%) on account of mix effects, lower economies of scale and sustained pressure on prices.

Spending on research and development over the reporting period was down 1% at €100 million (2009/2010: €101 million). At 4.3%, the R&D ratio was slightly below the figure for the previous year (2009/2010: 4.5%).

Thanks to strict cost management, the ratio of selling, general and administration expenses to net sales remained almost unchanged at 13.2% (2009/2010: 13.4%). Selling, general and administration expenses, including other operating income and expenses, rose by €9 million or 3% to €308 million (2009/2010: €299 million).

EBITA was also unchanged on the previous year at €162 million. The EBITA margin fell by 0.2 percentage points to 7.0% (2009/2010: 7.2%).

EBITDA was up €2 million, or 1%, to stand at €225 million (2009/2010: €223 million). The EBITDA margin fell accordingly by 0.3 percentage points to 9.7% (2009/2010: 10.0%).

Financial Position. Cash flow from operating activities fell by 6% year on year to €144 million in fiscal 2010/2011 (2009/2010: €154 million). EBITDA, a key determinant, rose slightly to €225 million (2009/2010: €223 million). At €5 million, the net amount of interest received and paid remained unchanged year on year (2009/2010: €5 million). By contrast, income tax payments fell to €37 million (2009/2010: €52 million), which resulted in a significant reduction in cash outflows. As was the case last year, the increase in working capital – primarily as a result of higher receivables toward the end of the fiscal year – to €263 million (2009/2010: €235 million) led to a cash outflow of €31 million (2009/2010: €33 million). Additionally, changes relating to other assets and the remaining other liabilities as well as accruals produced a cash outflow of €16 million (2009/2010: cash inflow of €20 million).

Cash flow.

	2010/2011	2009/2010
EBITDA	225	223
Cash flow from operating activities	144	154
Cash flow from investment activities	-66	-62
Cash flow from financing activities	-54	-116
= Change in liquidity	24	-24
Cash and cash equivalents at the beginning of the period	-18	6
Cash and cash equivalents at the end of the period	6	-18

At €66 million, net cash used in investing activities remained largely unchanged year on year (2009/2010: €62 million). Cash outflow for investments in intangible assets and property, plant and equipment amounted to €52 million, slightly down on last year's figure (2009/2010: €53 million). The main focus of investments was on IT equipment, specialist tools, licenses and outsourcing business. In fiscal 2010/2011, an additional €3 million was invested in the expansion of the Software and Professional Services business in Latin America by acquiring Dynasty Technology Group S.A., Madrid. By contrast, no cash outflows occurred during fiscal 2009/2010 with regard to acquisitions.

Net cash used in financing activities totaled €54 million (2009/2010: €116 million). In this context, the share repurchase programs were a key contributor in the fiscal year under review. The 2010 share repurchase program was concluded in October and in the third quarter of the fiscal year the 2011 share repurchase program was carried out. In total, these programs resulted in a cash outflow of €89 million. In the previous fiscal year, the cash outflow for the repurchase of own shares (treasury shares) had amounted to €14 million. The net amount of loans taken out in fiscal 2010/2011 was €85 million. By contrast, fiscal 2009/2010 had seen net loan repayments of €37 million. The dividend payment of €53 million (2009/2010: €59 million) also resulted in an outflow of cash. In parallel, other financing activities produced a cash inflow of €3 million in fiscal 2010/2011 (2009/2010: cash outflow of €1 million).

At €80 million (2009/2010: €91 million), free cash flow (cash flow from operating activities less capital expenditure on intangible assets, property, plant and equipment and reworkable service parts) was €11 million lower than a year ago.

The cash flow movements outlined above led to an increase in net debt to €199 million as of September 30, 2011 (2009/2010: €134 million).

At the end of the reporting period, Wincor Nixdorf had undrawn borrowing facilities of €187 million (2009/2010: €256 million).

Rating. At present, Wincor Nixdorf does not have a rating from an external rating agency. In the past, due to our positive cash flow from operating activities and the credit lines available to us, we have not commissioned a rating process with a rating agency. According to the information we have received from a number of high-profile banks, our creditworthiness is classed as good.

Assets. Compared to the previous year, the balance sheet total was up 3% or €36 million at €1,307 million (2009/2010: €1,271 million). On the assets side, this increase was almost entirely due to a rise in current receivables and other assets, while inventories were scaled back. On the liabilities side, equity and non-current financial liabilities declined in the period under review, whereas current financial liabilities increased significantly.

Assets.	€m	
	Sept.30, 2011	Sept.30, 2010
Assets		
Intangible assets	354	352
Tangible assets and financial assets	158	154
Non-current receivables and other assets	57	52
Non-current assets	569	558
Inventories	266	288
Current receivables and other assets	450	405
Cash and cash equivalents	22	20
Current assets	738	713
Total assets	1,307	1,271
Equity and Liabilities		
Equity (incl. non-controlling interests)	330	358
Pension accruals and other accruals	71	70
Financial liabilities	2	115
Other liabilities	31	24
Non-current liabilities	104	209
Other accruals	123	146
Financial liabilities	197	39
Trade payables	288	274
Other current liabilities	265	245
Current liabilities	873	704
Total equity and liabilities	1,307	1,271

Intangible assets remained largely unchanged year on year, with a carrying amount of €354 million (2009/2010: €352 million). Amortization of commercial patents and licenses amounted to €11 million (2009/2010: €12 million), while investments in software, especially for outsourcing projects and the Company's own infrastructure, totaled €8 million (2009/2010: €5 million).

The carrying amount of property, plant and equipment was down €2 million on the previous year at €151 million (2009/2010: €153 million). Capital expenditure on property, plant and equipment amounted to €43 million (2009/2010: €47 million). The principal investments made in this area were in IT equipment and specialist tools. Depreciation in the year under review amounted to €43 million (2009/2010: €40 million). Compared to the previous year, the carrying amount of financial assets rose by €6 million to €7 million (2009/2010: €1 million), which was attributable almost entirely to the first-time inclusion of the ownership interest held in CI Tech on the basis of the equity method.

The figure for non-current receivables and other assets increased slightly by €5 million to €57 million (2009/2010: €52 million), primarily due to the rise in reworkable service parts by €4 million to €25 million (2009/2010: €21 million).

Inventories contracted by €22 million to €266 million compared to the previous year (2009/2010: €288 million). At the same time, current trade receivables were up €46 million to €387 million (2009/2010: €341 million). This was mainly attributable to a year-on-year expansion of business toward the end of the final quarter of the reporting period.

Current bank deposits rose by €2 million to €22 million (2009/2010: €20 million), while current bank liabilities increased significantly by €158 million to €197 million (2009/2010: €38 million). This was due to changes in the way borrowings under the terms of the revolving facility were accounted for in the period under review. Due to the fact that their remaining life is less than twelve months, they are to be categorized as current. Borrowing from the revolving facility totaled €177 million (2009/2010: €112 million) at the end of the reporting period. This was attributable primarily to the purchase of additional treasury shares during the year under review, equivalent to €89 million. Under the terms of the revolving facility, the Wincor Nixdorf Group was granted a credit line of €350 million by a consortium of banks for a period of seven years up to August 2, 2012. Borrowings relating to this credit line are subject to interest based on the EURIBOR plus a margin. The entire credit line is available until expiry of the agreement without any obligation to make principal repayments before that time. Wincor Nixdorf is currently conducting refinancing negotiations and anticipates that these will be successfully concluded by the end of 2011.

Equity, including non-controlling interests, fell by €28 million to €330 million (2009/2010: €358 million). The reduction attributable to the payment of dividends totaling €53 million (2009/2010: €59 million) as well as the change in treasury shares by €75 million (2009/2010: €14 million) contrasts primarily with an increase of €108 million in equity from profit for the period (2009/2010: €106 million). Equity movements are outlined in the table entitled Changes in Equity.

Non-current financial liabilities fell by a substantial €113 million to €2 million (2009/2010: €115 million), mainly as a result of the above-mentioned changes to the presentation of borrowings from the revolving facility.

Current other accruals declined by €23 million to €123 million (2009/2010: €146 million). This was mainly the result of lower accruals for warranties, in view of the fact that expected future expense decreased due to the technical maturity associated with products delivered over the course of the reporting period. Additionally, business with high-end systems was less pronounced and revenue contributions from the CINEO System family were still insignificant in the year under review. From the present perspective, the recognized accruals sufficiently cover all of the Group's probable obligations.

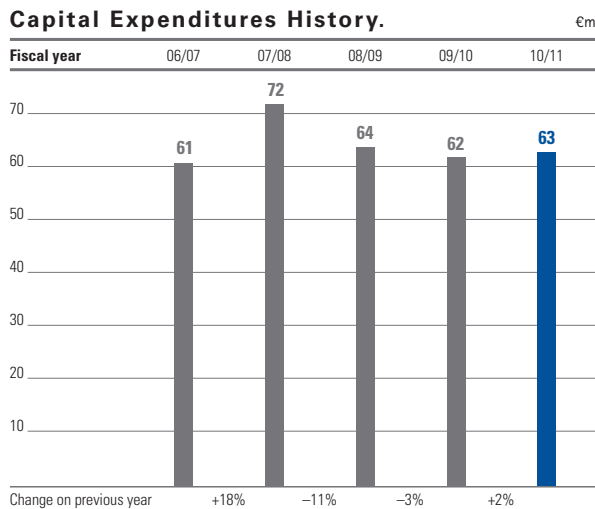
Compared to the previous year, other current liabilities rose by €20 million to €265 million (2009/2010: €245 million). This was attributable primarily to higher financial liabilities to related companies.

Overall Assessment of Current Business Situation. The following overall assessment of the Group's business situation is based on the information available at the time this annual report was prepared. Estimates of future global economic growth are currently marked by a great deal of uncertainty. In light above all of Europe's sovereign debt crisis and the resulting uncertainties, especially with regard to the region's banking market, Wincor Nixdorf is adopting a very cautious, wait-and-see approach towards the business environment in so far as it impacts on the Group's likely performance over the rest of fiscal 2011/2012. At present, given this uncertainty, it is impossible to deliver a reliable forecast containing specific figures. We believe that a small decrease in net sales or an increase slightly above the level of growth in 2010/2011 are both possible. Equally, given the prevailing uncertainty affecting our net sales performance in the fiscal year ahead, it is not possible at this point (late fall 2011) to produce a reliable forecast for our operating result (EBITA) in 2011/2012. On account of a reduction in economies of scale, in particular, our future sales performance may in fact have a disproportionately large impact on EBITA. Other factors include mix effects (e.g., products and regions) as well as the cost of potential structural adjustments. In line with our estimate of net sales for fiscal 2011/2012, we believe a sharp downturn or a modest increase in profit compared to the last fiscal year are equally possible.

CAPITAL EXPENDITURES.

In the year under review, we maintained our capital expenditure almost at the level of the previous year. Investments were made to support expansion, streamlining and improvements to productivity, innovation and measures to enhance the quality of our hardware, software and services.

Capital Expenditures History.



In fiscal 2010/2011, we invested €63 million (2009/2010: €62 million) in total, primarily in the area of licenses and IT, specialist tools and production facilities, as well as in reworkable service parts. At €12 million (2009/2010: €15 million), expenditure on our Outsourcing business in Germany again formed one of the focal points of investment spending.

NON-FINANCIAL INDICATORS.

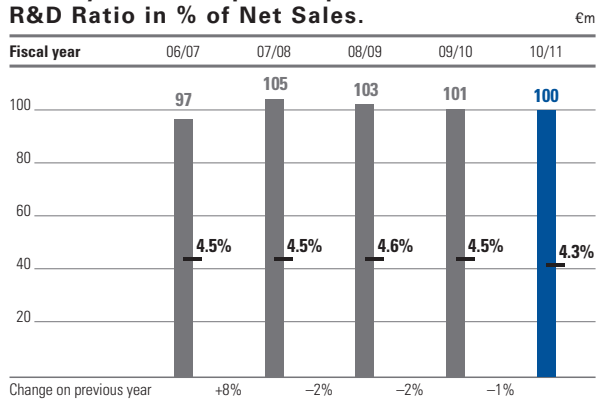
Research and Development – Creating Added Value through Innovation.

Wincor Nixdorf's objective in the field of research and development is to provide customers with a competitive advantage through innovative products and solutions. Consequently, in fiscal 2010/2011 we continued to make substantial investments in this area – and therefore ultimately in the future of our business. Spending on research and development was down slightly by 1% to €100 million (2009/2010: €101 million). The

R&D ratio fell 0.2 percentage points to 4.3% (2009/2010: 4.5%). By the end of the fiscal year, the R&D headcount had dropped to 785 (2009/2010: 882), primarily due to changes in the scope of consolidation.

The Research and Development network is composed of sites in Germany, Austria, Brazil, Singapore and China. In total, 78 new patent applications were filed during the fiscal year under review (2009/2010: 88). The overall number of active patent rights was 1,159 (2009/2010: 1,138).

History of R&D Expenses plus Embedded R&D Ratio in % of Net Sales.



Focus of R&D Activities. Wincor Nixdorf's activities in the field of R&D are concentrated in three main areas:

- Further development of convergent platform technologies for our core business in retail banking, the retail industry and related areas of business.
- Software as the key to optimizing the overall branch process chains of retail banks and retailers.
- Continuous improvement to our solutions regarding their total costs during the product life cycle (TCO), in conjunction with the optimization of serviceability.

Cash Cycle Management Solutions with Identical Base Technology.

With the launch of the CINEO System Family, we equipped ATMs, automated teller safes and self-checkout systems with our cash recycling technology: after being checked for authenticity, cash deposits are made available for withdrawal again. During the year under review, another main focus of our development efforts was on further refining our new solutions portfolio for Cash Cycle Management.

At the beginning of the year under review, a development center for coin processing was established in Linz, Austria. The new center is responsible for developing system components for the automated acceptance and processing of coins. In taking this route, we have extended our technology base, which until now specialized in processing banknotes.

In the period under review, we also developed a self-check-out system for smaller retail stores with no dedicated cash office, whereby banknotes are placed in cash cassettes.

We have improved our expertise in the area of image recognition for both of our target industries and translated this know-how into practical applications – for example a solution enabling the automatic scanning of products at checkouts (see Our Solutions Portfolio). We also draw on our expertise in the field of image recognition to prevent the attempted manipulation of ATMs or reverse vending systems. Another application in which image recognition plays an important role is for the acceptance of cash and checks by our Cash/Check Deposit Modules (CCDM). During the year under review, we further improved these modules with regard to both processing speed and quality.

Expansion of Software Portfolio. In the period under review, we added new applications to the Retail Banking Suite, particularly for cashless payments. Among the new components is one that processes card transactions at ATMs or POS terminals even more securely than previously possible. The "NFC standard", which allows payments by mobile communication devices for example, has also been integrated into this solution. The development of new, intelligent interfaces simplifies user prompting at self-service systems; their design is similar to that known from modern internet or smart phone interfaces.

In the year under review, we also added new applications to the Retail Suite, our software portfolio for the retail industry, such as a solution for planning and managing the deployment of staff. Furthermore, we developed a software package which is specifically tailored to the needs of smaller retailers.

Low TCO Through Forward-looking Development. When developing our products and solutions, we make sure that the costs incurred remain as low as possible, from the selection of components, through production and operations, to waste disposal. With the CINEO System family, we have achieved our objective of a considerably reduced total cost of ownership (TCO). In line with serviceability requirements we have had the foresight to align hardware, software and service processes with each other. The systems, featuring integrating

Talking Devices, are capable of automatically transmitting a variety of information to the eServices platform, thus allowing preventive maintenance and the shortest possible recovery times (see also Our Solutions Portfolio).

Our customers are able to access and evaluate this wealth of information via a mobile Web-based application called "eServices Portal Management Dashboard". Banks and retailers are thus provided with a consolidated graphics-based summary of system, service and cash data – in real time.

Continuous Expansion of Security Solutions Portfolio. To prevent criminals from gaining access to banknotes, we have developed a process for our new note storage units that sprays the banknotes with indelible ink in the event of unauthorized withdrawal or vibration, and renders them unusable. We have also developed next-generation technologies which can identify cases of attempted fraud at self-service systems.

Purchasing, Production and Logistics: Exploiting Synergies for Greater Productivity and Lower Costs.

Our focus in the period under review was on streamlining costs, optimizing organizational processes and safeguarding the procurement of critical components.

As regards the Purchasing and Procurement of products and services, emphasis continued to be placed on finding the best possible balance between low prices and superior quality. During the reporting period, we further improved cooperation between Asia and Europe in raw materials purchasing, thus achieving additional synergies.

We have also continued to refine procurement processes relating to non-production materials, the focus being on coordinating pan-European demand and appointing dedicated category managers. At the same time, we remain committed to pooling our purchasing requirements with key suppliers to the largest extent possible.

We implemented targeted measures to mitigate the negative effects of the events in Japan on global industrial supply networks and of the recent surge in commodity prices. These measures included expanding the use of alternative materials and suppliers as well as intensified negotiations with other suppliers, a move that has allowed us to minimize or even avoid many price increases.

Continued sluggish demand for our hardware in the banking sector also called for an appropriate response in the area of **Production and Logistics**. Our focus at production level was on flexibility and rapid adjustment of manufacturing capacities to deal with fluctuations in demand.

The productivity of our global manufacturing network has continued to grow as we develop decentralized production facilities located in close proximity to our customers. In the period under review, the Asian market was again largely supplied from our production sites in Singapore and Shanghai.

With the help of an international team of experts, we analyzed and further optimized logistics and production processes at all locations, with "lean production" as the specified goal. The success of this effort can be measured in significantly lower process costs combined with higher process quality. We also introduced process-based HR indicators to enable international benchmarking across the Wincor Nixdorf production network and respond even more promptly to changing market conditions.

Quality: More Reliable Products, Better Satisfied Customers.

Our claim: The quality of our hardware and software products is evident, first and foremost, in their outstanding reliability and stability. High availability and superior reliability are the key to best-in-class operational performance – and thus maximum reliability for end-users.

For this reason, continuous improvement is Wincor Nixdorf's commitment to the future – not only to our own but to that of our customers as well. We are consistently driven by the desire to further optimize the reliability of our hardware and to make our systems ever more failure-resistant. Irrespective of whether we are developing new solutions or refining existing ones, our efforts are always guided by the latest technology – and this also applies to individual components and modules. In addition, our production processes are always founded on the latest know-how, as are the procedures implemented by our suppliers and partners. Whenever necessary, we will update to the latest standards any systems already installed by our customers.

In the software arena, application stability is crucial for system reliability. Thus, our development processes are designed specifically to anticipate possible difficulties relating to on-site implementation. Furthermore, we test all software in an environment that corresponds fully to existing customer infrastructures before installing and integrating any applications.

After installation, we support our customers long term to assure trouble-free operation.

We also provide integration and customization services for our solutions, contributing to optimal availability in the customer's IT environment. These Professional Services are aimed at raising the effectiveness, security and dependability of IT-based procedures for our customers.

System availability is maintained at the highest level by means of service processes that conform to standards implemented throughout our global structures. With the assistance of the eServices platform developed by Wincor Nixdorf, we are able to recognize potential faults in advance and keep them at bay (preventive maintenance), or we can rectify them remotely. Should a system fail despite all these efforts, highly-qualified technicians solve the problem without delay.

Benefiting from premium-quality solutions, we are also able to assume full responsibility for the operation of customers' clearly defined IT infrastructure and business processes. Drawing on the strengths of innovative technologies, we guarantee optimal availability and reliability of self-service systems, as well as information and communications solutions. The relevant processes have been certified in accordance with ISO 20000.

Employees: Fostering, Challenging and Engaging the Workforce.

Companies are shaped by people. It is they who push forward developments, create innovations, help to define markets and, last but not least, sculpt the corporate image experienced by customers, business partners and the wider public – around the globe. It is their commitment and creativity that ultimately make the difference in the face of international competition, day by day, in more than 40 countries worldwide. This conviction is the driving force behind all our HR activities.

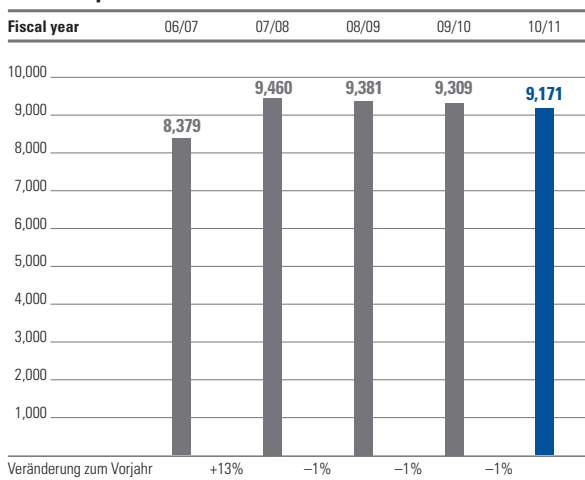
This is why our workforce is the most important component for the Company's long-term success: We are well aware that the performance, skills and dedication of our employees are of fundamental importance in our endeavors to consolidate and build on our leading positions. Therefore, one of our key tasks is to develop and implement specific programs and measures fostering a corporate culture based on values such as commitment, creativity, knowledge and team spirit. At the same time, it is important to equip the Company and its employees to meet the business challenges of the future.

Rewarding Good Performance. Good performance deserves recognition. And recognition motivates. This is why, for a large proportion of our workforce, our pay systems include variable components based primarily on the Company's economic success and the results achieved in individual areas. This long-standing element of our remuneration policy, which allows employees to share in our success, is a way of boosting the commitment of our workforce and encouraging employees to identify with the Company.

Furthermore, in order to motivate our employees to perform to the highest standards over the long term, and as a way of assessing their performance in a fair and appropriate way, we have introduced additional performance management tools.

Headcount. As of September 30, 2011, Wincor Nixdorf employed 9,171 people worldwide, 138 fewer than in the previous year (2009/2010: 9,309).

Development of Headcount.



In total, the headcount outside Germany was down slightly at 5,186 (2009/2010: 5,203). In Germany the workforce stood at 3,985, also down on the previous year's figure (2009/2010: 4,106).

People with Spirit: Developing Leadership, Encouraging Talent, Equipping the Next Generation. We can only create excellent products and solutions if we have an excellent team – and this does not come about without some effort.

This is why the recruitment and development of personnel to meet our strategic requirements is of crucial importance to Wincor Nixdorf and is reflected in our HR policy. During the pe-

riod under review, for example, we expanded our local and Group-wide staff development programs. By doing so, we aim to cover our long-term requirements for qualified technical and managerial staff in line with the Company's aims.

Our approach emphasizes the promotion of employees from within our own ranks. By offering them targeted professional development, we are contributing significantly to the success and future prosperity of our company. These staff development measures are geared towards employees at all levels of the organization.

Our investment in HR planning also includes measures to systematically identify future leaders and strengthen the Group's project management culture. We see ourselves as a learning organization. Around the globe, we are expanding our range of training courses and aim to ensure that best practice is shared by the entire workforce. At the heart of these measures are seminars and workshops for technical, managerial and sales staff, as well as product training.

Training the Next Generation. At Wincor Nixdorf we have a long tradition of training young people. We see this partly as a way of exercising responsibility towards society as a whole. Our proactive approach to HR is a way of safeguarding our own future while offering prospects to young people, and this is also the principle that drives our wide-ranging activities in this area.

One of the consequences of demographic change is a growing shortage of skilled staff, particularly in technical occupations. This is one of the reasons why we conduct our own training in a large number of disciplines and provide grants to students on selected courses. We equip our apprentices and students with precisely those skills needed in the future in companies with global operations by focusing on specific areas and practical training in line with our requirements.

To achieve this, we work closely with universities and colleges. In fact, we were able to continually expand our partnerships with these institutions in the year under review. We offer placements and internships to students in a large number of disciplines so they can experience what we do at first hand while enabling us to get to know one another. On the one hand, this allows young people to access career opportunities in a global enterprise. On the other, it enables us to establish these mutually beneficial contacts at an early stage in order to position ourselves as an attractive employer in the competition for highly qualified graduates.

Fostering Talent. Changing markets, increasing globalization and ever greater competition mean that we have to take a proactive approach to finding qualified people to take on key functions in the Company. The best place to begin in the search for and development of these future key players is within our own ranks and from our own pool of talent. This is why Wincor Nixdorf was quick off the mark when it came to establishing an international program aimed at systematically identifying talented individuals throughout the Group and preparing them for future roles. At the same time, we have made ongoing improvements to our processes for selecting and developing talented individuals for international positions.

Our international talent pools are designed to identify those individuals with particular potential for professional development. This annual process begins with an assessment center also attended by members of our top management, sending a clear signal about the importance we attach to promoting talented people. And we rank well in international comparisons: a survey of the talent management programs of 122 companies, carried out by the University of Innsbruck and Transformation Management AG, rated Wincor Nixdorf's program among the front runners.

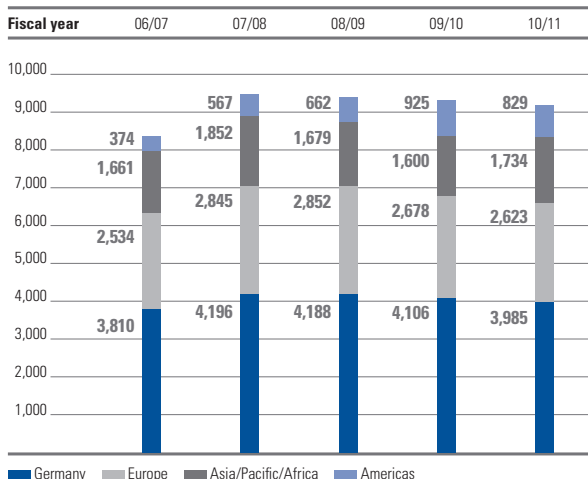
Cultivating the Next Generation. Wincor Nixdorf is taking a proactive approach to its future staffing needs and has therefore adopted a system of strategic succession planning. Potential candidates are identified and systematically prepared for possible roles within the organization. This is not just a question of finding a candidate to fill a certain position, but of identifying and supporting at an early stage those employees exhibiting the commitment, creativity and personal skills

that will allow them to take on new areas of responsibility in the future.

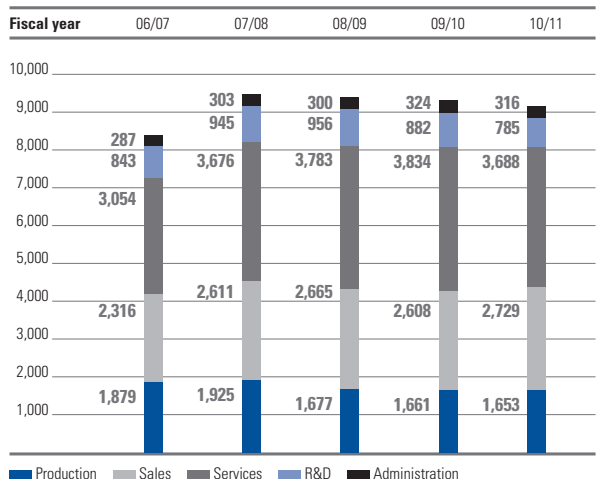
Developing Leadership. Our managerial staff are key multipliers within the company, acting both as models and drivers of a positive, performance-led corporate culture. As such, they exert the greatest influence on the immediate working environment of their colleagues. One of their main roles is to create a highly motivating environment in which employees will give of their best and be able to develop their skills. This is why our in-house managerial training is a key element of personnel development. Managers are taught how to develop a motivational leadership style and deal confidently with the process of change. They are thus expected to foster initiative and commitment among employees and encourage personal creativity and an entrepreneurial approach. As part of this ongoing process, employees at Wincor Nixdorf are encouraged to actively shape their areas of responsibility as "People with Spirit".

Strengthening Project Management Expertise. In order to meet the requirements of complex projects with an international dimension, we have stepped up our training program in the area of project management and have set up new training concepts for project managers. By establishing project management offices worldwide, we have made further progress towards our goal of creating an international project management community. At the same time, we have introduced an internal certification process for project managers as a means of standardizing requirements in terms of theoretical knowledge, practical experience and personal skills.

Development of Headcount by Regions.



Development of Headcount by Functions.



Promoting Systematic Learning. Knowledge quickly becomes obsolete. To make sure that our personnel are equipped with up-to-date knowledge and can draw on all the necessary skills required, we favor goal-driven forms of learning such as e-learning and blended learning, i.e. an integrated learning process combining the best elements of classroom-based activities and e-learning. This allows our staff to actively acquire those skills that they need. We were able to manage and monitor learning processes even more effectively during the year under review by introducing a worldwide "Learning Management System".

Multiplying Knowledge. To best prepare our employees for their future roles, we also encourage them to share their knowledge and experience across borders. Colleagues from different countries meet in virtual team rooms, where they hold joint conferences and training courses and exchange knowledge and information in a fast and efficient way.

In addition, our well-established and proven system for inviting suggestions from the workforce acts as a channel for creative ideas that can subsequently be implemented for the benefit of the entire organization. Indeed, creative employees make an essential contribution to our capacity for innovation. Innovative ideas and proposals help to enhance quality and thus boost our competitiveness.

Doing Business the Sustainable Way.

Wincor Nixdorf takes corporate responsibility seriously and is committed to achieving a balance between economic, environmental and social objectives. We believe that a sustainable approach to business activities is a precondition for success, and so this philosophy pervades the entire organization. But sustainability is just as much about our social responsibilities and – as already described – the way we support and develop employees as it is about making careful use of natural resources. As a global IT provider, we design solutions that have a minimal impact on our environment, while using resources with maximum efficiency. These solutions are manufactured to extremely high standards with regard to economic and environmental sustainability. Ultimately, we recognize the importance of taking the long-term view when implementing our sustainability strategy.

Conserving Natural Resources from the Outset. When assessing the resource impact of its activities, Wincor Nixdorf follows the end-to-end principle, using TCO analysis to

determine the costs of a system over its whole lifecycle. This encompasses product planning, development, production and logistics as well as the costs generated during its use by the customer, including support, maintenance, and spare parts delivery, plus return and recycling. As early as the planning and development stage, we strive to use components that combine low environmental impact with energy efficiency. Through the selection of low-energy components in conjunction with improved software, we are able to respond to the demands of our customers for enhanced performance with minimum use of resources. In helping our customers to significantly cut energy consumption and operating costs, we are also supporting their efforts to achieve economic and environmental targets.

Exceeding International Standards. All Wincor Nixdorf's products are designed in line with international regulations, including those for promoting the development of recycling-friendly products with low environmental impact (EC WEEE directive), for lowering energy consumption (EC EuP directive) and for restricting the use of hazardous substances (EC RoHS, REACH directives). During the year under review, a project group was responsible for continuing the implementation of measures initiated by Wincor Nixdorf as early as fiscal 2006/2007 in order to comply with REACH, the European Community Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (1907/2006/EC). As ever, Wincor Nixdorf strives to exceed the standards set by the legislator.

We also expect our suppliers to consistently observe environmental standards, and we monitor their compliance by carrying out regular audits. Our partners must adhere to the Wincor Nixdorf code of conduct for suppliers, which includes the implementation of an ISO 14001-certified environmental management system.

Indeed, our own production sites making up our international network – Paderborn, Ilmenau, Singapore and Shanghai – have implemented environmental management systems that are ISO 14001-certified. By using modern technology, we can save energy, materials and water, thereby avoiding emissions, waste and water contamination. Furthermore, as a participant in the European Union Emissions Trading System, Wincor Nixdorf is demonstrating its unstinting commitment to lowering the emission of greenhouse gases. The creation of a highly efficient and environmentally friendly combined heat and power plant in Paderborn is just one example of our endeavors in this area, one that is rewarded by the option to sell unused CO₂ allowances on the market.

Reducing Environmental Impact with Cash Cycle Management Solutions. Cash management is another way in which we cut our CO₂ emissions – by reducing the number of cash-in-transit (CiT) journeys required. One of the solutions we apply in this field is the cash management application from our Retail Banking Suite, which allows us to determine precise refill intervals and quantities for ATMs and automated teller safes. In addition, the new CINEO systems consume considerably less energy than the previous generation.

Reducing Energy Consumption – for Retailers. By incorporating an energy-saving processor and an energy-efficient power supply, our BEETLE checkout systems help to achieve a substantial cut in electricity consumption. Our intelligent power management system is equipped with a number of energy-saving operating modes to ensure that the power consumed does not exceed the actual amount required.

With software based on the principles of "Green IT", Wincor Nixdorf allows convenience stores to run a central electronic system for controlling and monitoring their operation and energy consumption. The system paves the way to a significant reduction in total energy consumption.

Switching off Hardware as Required. Self-service systems that leverage the very latest technology inherently improve performance and consume less energy. However, it is possible to reduce total energy consumption further by using appropriate administrative programs, and we are continuously fine-tuning ours in line with market and customer requirements. At the moment, we are focusing on a facility that will allow individual self-service systems to switch off when they are not required during quieter periods or because they are in locations with time-restricted access.

For some of our customers, we operate and maintain entire data centers. These are based on advanced technology in order to optimize customer utility as well as reduce costs. One such example is the virtualization of server resources. This involves intelligent management systems that make the necessary hardware available as and when it is required, thus making it possible to divide or combine computer processing power to meet current requirements. As well as significantly reducing hardware needs, this can produce considerable savings in the energy used by both computers and air-conditioning in the data centers.

Conserving Resources with Reverse Vending Solutions. Since 2001, we have been committed to the re-use and recycling of all manufactured products and materials. To this end, our reverse vending solutions for the return of empty containers are equipped with the necessary identification and process technology. Each year, some 81 million tons of packaging waste is created in Europe alone. Beverage containers, including PET bottles together weighing around three million tons, account for a fifth of this waste. Only half of these PET bottles enter the recycling process.

Communication: Informing the Public, Inspiring Confidence.

While excellent products and services are a fundamental prerequisite for market success, the way a company is perceived by the wider public is also an influential factor. Against this backdrop, Wincor Nixdorf believes it is important to inform the public and create transparency. At the same time, we endeavor to pass on knowledge and inspire confidence in our products and services. At national and international level, and in close cooperation with our subsidiaries, we make use of the full range of communication tools at our disposal, including printed or electronic media, press releases, trade shows and presentations.

Our customer magazine "Planet Wincor" also plays a key role in our communications package and has been redesigned to offer significantly improved layout, content and graphics.

Industry Event for Professionals. The "Wincor World" international trade show has been long established as the key industry event for retail banking and retail, again attracting over 7,000 delegates from more than 90 countries in 2011.

During the period under review, we also began to expand our trade show communication strategy, which has so far focused on Wincor World as the key event, to include events in a number of growth regions in the future. We will be stepping up our presence at selected international trade fairs.

Every year, we contribute to numerous other industry events worldwide, covering various retail banking and retail issues. We also host such events ourselves, including the "International Management Seminar" for banking executives, the "Retail Banking Meeting" run in collaboration with the renowned German financial journal "Börsen-Zeitung", and a specialist banking conference for key decision-makers among our German customer base.

The Media as a Partner. The Company's activities are underpinned by professional PR work at national and international level, an area in which we were very active during the period under review. In particular, our comprehensive information activities in China and India enjoyed very positive media coverage.

In addition, we are committed to promoting premium-quality journalism, for example through our ongoing support of the "German Bank & Insurance Journalism Prize", which is awarded for outstanding articles relating to the banking sector.

REPORT ON EXPECTED DEVELOPMENTS.

Business Environment in the Next Two Fiscal Years.

Future Macroeconomic Situation. In September 2011, the IMF again downgraded its growth forecast and at the same time warned of a possible escalation of the euro crisis. In its review, the International Monetary Fund anticipated weaker growth in the global economy as a whole in 2012.

In light of subsequent developments in the period up to November 2011, even greater doubt has crept into forecasts of global economic growth in 2012. In a statement outlining its own assessment, the Organization for Economic Cooperation and Development (OECD) forecasts a dramatic increase in the overall level of uncertainty affecting the global economy.

Compared to its earlier forecast in spring of this year, when it forecast growth of 2.0% for the eurozone in 2012, in late fall the OECD sharply downgraded its forecast to 0.3%. Although it only anticipates a minor year-on-year decline in growth among the twenty biggest industrial and emerging markets from 3.9% in 2011 to 3.8% in 2012, the OECD believes that the main impetus for growth will again come from the emerging markets, albeit at a rather slower pace.

However, the OECD notes that all its forecasts are subject to a large degree of uncertainty.

Industry Outlook. In November 2011, the banking industry faces considerable economic uncertainty all over the world but especially in Europe. Future developments are likely to be determined by Europe's sovereign debt crisis. Market players expect pressure on the creditworthiness of European states to continue unabated, leading in the medium term to higher refinancing costs for governments and banks.

It seems probable that the ongoing sovereign debt crisis will have far-reaching consequences for European banks, especially those in Southern Europe. In the event of a major weakening of the economy in Europe, as well as the United States, we could also see a negative impact on consumer behavior and therefore on the retail industry in those markets.

As this report was being prepared in November 2011, no specific market research results were as yet available to help assess the likely impact of these developments on the willingness of retail banks and retailers to invest in IT systems. However, in October 2011 the market research firm Gartner downgraded its earlier forecast of growth in global IT expenditure in 2012 compared to 2011 from 5.9% to 3.9%, leaving a total of USD 2.6 trillion for the procurement of computers, software and IT services.

As regards the markets of direct relevance to Wincor Nixdorf's Hardware business, the U.K. market research firm Retail Banking Research (RBR) has forecast a slight year-on-year increase in 2012 of around 3% in the number of ATMs supplied worldwide, up from 358,184 to 368,634 systems. In this context, it is worth noting that ATM deliveries in Western Europe are likely to decline by around 6%. Eastern Europe, Asia/Pacific and North America, meanwhile, are expected to produce forward momentum.

Turning to the overall volume of EPOS and self-checkout systems supplied to the food/non-food and general merchandise sectors, global growth is forecast by RBR to exceed 10%, up from 912,880 systems in 2011 to 1,026,770 systems in 2012. Expansion within this specific area will be driven by all markets, led in particular by the Americas and Asia-Pacific.

Overall Assessment of Future Business Environment. Given the high level of uncertainty, especially with regard to the banking industry in Europe, our core market, it is difficult to produce a reliable estimate, in quantitative terms, of the prospects for Wincor Nixdorf in fiscal 2011/2012. Furthermore, we cannot exclude the possibility that this uncertainty may continue into the following fiscal year 2012/2013.

By contrast, prospects for growth in the emerging markets remain good, and the underlying trends driving our retail banking and retail business are still in place.

Group Focus over the Next Two Fiscal Years.

We intend to maintain our basic focus over the coming years, while continuously reviewing and developing our corresponding plans. The foundation of our business model remains solid, since investment in information technology is vital to the success of both retail banks and retailers.

Consequently, our business strategy also remains in place. This consists of four growth levers – global expansion, market innovation, the expansion and ongoing development of high-quality services and the extension of our expertise into other areas of application. Both singly and in combination, these four levers can exploit potential new business and help to drive future growth.

In spite of the market uncertainty, we intend to further strengthen our international sales operations and, for example, to work even more closely with our strategic partners throughout the world.

In addition, Wincor Nixdorf will push ahead forcefully with the expansion of its activities and business in the emerging markets, an approach that will require a differentiated portfolio of products and services tailored to the needs of individual markets.

Future Sales Markets. We believe the medium-term prospects are good, especially for CINEO, our new range of hardware systems, and for other innovative high-end solutions. Nevertheless, our future performance depends in large measure on how fast the global economic environment stabilizes and on our customers' readiness to invest in high-end solutions.

We will also push further ahead with our development as a full-service provider of solutions geared towards process optimization. To this end, we increasingly combine different components of our portfolio into integrated solutions, an approach that delivers crucial improvements to our customers.

From a regional perspective, we believe there is significant potential for growth in the emerging markets, especially in the area of ATMs but also in the provision of IT equipment for expanding retail chains.

Anticipated Personnel Developments. Alongside measures that have already been initiated on the sales and cost side, we intend to maintain the existing program of structural adjustments. These have led to an increase in our international workforce – especially in the Asia/Pacific region – and a corresponding adjustment in the absolute and relative size of our German workforce to reflect the growing importance of growth markets outside Europe.

In response to the present uncertainty, above all in our European market, we cannot exclude the need to accelerate our existing program of personnel adjustments in fiscal 2011/2012, with a reallocation towards our increasingly important business in the Asia/Pacific region and our growing Software/Services business.

Depending on our business performance, employee numbers in fiscal 2011/2012 will remain roughly at the level of 2010/2011.

Expected Business Situation.

Net Sales. In light of the current slowdown in the economy and the increased uncertainty affecting above all the banking industry, Wincor Nixdorf does not anticipate any sustained impetus for sales growth from Europe. However, given its share of total Group net sales, this region is clearly essential to the company's growth. Consequently, it would not be possible to compensate entirely for a downturn in our European business by expanding in the emerging markets, e.g., in the Asia/Pacific/Africa region, where we expect business to remain buoyant. Equally, we do not anticipate any significant stimulus for growth in the Americas region.

At present (November 2011), it is impossible to deliver a reliable forecast as we cannot foresee the extent to which more positive developments might help to counterbalance the current uncertainty. Accordingly, Wincor Nixdorf believes that a small decrease in net sales is possible in fiscal 2011/2012, as is an increase slightly above the level of growth in 2010/2011.

In any event, with regard to the first quarter of fiscal 2011/2012, Wincor Nixdorf anticipates a decline in net sales compared to the first quarter of 2010/2011.

Anticipated Performance by Business Stream.

Looking at our **Hardware** business, we do not expect any substantial momentum for growth and cannot even exclude the possibility of an overall downturn in revenue.

The **Software/Services** business has performed well in recent years. However, it is possible that growth in this area may also decline, since the success of our software and services also depends on the level of demand for our hardware.

Expected Earnings Situation.

Profit. Given the prevailing uncertainty in late fall 2011 surrounding the development of net sales in the months ahead, it is not possible to produce a reliable forecast for our operating result (EBITA) in fiscal 2011/2012.

The impact on EBITA could in fact be substantial due to a reduction in economies of scale, mix effects (e.g., products and regions) as well as the cost of potential structural adjustments. In line with our estimate of net sales for fiscal 2011/2012, we believe a sharp downturn and a modest increase in profit are equally possible.

Notwithstanding the above annual estimates, in percentage terms we expect the likely decline in sales to trigger a double-figure downturn in profit for the first quarter of fiscal 2011/2012 compared to the positive results achieved over the same period in 2010/2011.

Main Income Statement Items. In 2011/2012, as well as further expanding our sales activities in emerging markets, we intend to focus on achieving significant improvements in **key cost items**. In particular, we aim to make additional savings in production across the entire process chain and to exploit any remaining potential for reducing costs in the area of sales and administration. To protect our outstanding position as a leading innovator, in fiscal 2011/2012 we intend to maintain our consistently high spending on **research and development** by again investing over 4% of our net sales revenue in R&D projects.

With regard to R&D, our main focus will be on the expansion of our platform technologies for retail banks and retailers, the extension of our software suites for both industries and the ongoing optimization of our solutions in terms of cost and resource use over the entire product life cycle.

Our aim is to use the best possible expertise to drive forward development while minimizing the associated costs.

We expect the **Group tax rate** for the current fiscal year to remain at approximately the same level as in fiscal 2010/2011.

Expected Financial Situation.

The uncertainties surrounding our business performance in fiscal 2011/2012 could also impact on our asset position and financial situation. Given this uncertain environment, we therefore intend to focus on those factors that have particularly helped Wincor Nixdorf to stand out in the past.

As well as a strong balance sheet, we have a stable equity ratio of over 25% and a relatively low level of net debt. In this context, we have already shown in the past that our financial strategy is anchored to fundamental principles. That includes our determination to achieve a strong cash flow.

We are currently (late fall 2011) in negotiations with the relevant partners over our future borrowing requirements.

Dividend. Our dividend proposal for 2011/2012 will continue to be based on the policy we adopted as our maxim on flotation in 2004. According to this policy, around 50% of the profit generated in a fiscal year should be distributed as a dividend. We see this emphasis on continuity as a key element of an overall corporate policy that stresses the importance of reliability.

Opportunities.

Opportunities Created by Developments in the Business Environment. We believe that opportunities still exist, albeit temporarily limited in scope, to exploit the underlying trend for retail banks and retailers to boost their competitiveness by investing in information technology. This is the main target of our streamlining and automation solutions. In our view, the competitiveness of these solutions will be particularly enhanced by our CINEO family of systems, which is acknowledged in both industries as an innovative development. However, demand for these systems will mainly depend on whether the current uncertainties facing banks can be resolved, especially in our core European market.

By contrast, we anticipate additional growth in the emerging markets, in particular, which continue to expand rapidly in spite of the prevailing uncertainties.

Overall Assessment of Future Group Development.

At the time of writing in November 2011, forecasts of global economic growth in 2012 have taken on a much less optimistic note. In a statement outlining its own view, the Organization for Economic Cooperation and Development (OECD) forecasts a dramatic increase in the overall level of uncertainty affecting the global economy.

Wincor Nixdorf detects a corresponding uncertainty in the European banking market, above all, and intends to adopt a cautious, wait-and-see approach. It is impossible to deliver a reliable forecast, as we cannot foresee the extent to which more positive developments might help to counterbalance the current uncertainty.

Accordingly, Wincor Nixdorf believes that a small decrease in net sales is possible in fiscal 2011/2012, as is an increase slightly above the level of growth in 2010/2011.

Given the prevailing uncertainty in late fall 2011, it is not possible to produce a reliable forecast of the extent to which our net sales performance in 2011/2012 might impact on our operating result (EBITA).

The impact on EBITA could in fact be substantial, above all on account of a reduction in economies of scale, mix effects (e.g., products and regions) as well as the cost of potential structural adjustments. In line with our estimate of net sales for fiscal 2011/2012, we believe a sharp downturn and a modest increase in profit compared to the last fiscal year are equally possible.

Notwithstanding the above annual estimates, in percentage terms we expect the first quarter of fiscal 2011/2012 to produce a decline in net sales and a double-figure downturn in operating profit compared to the positive results achieved over the same period in 2010/2011.

Looking further ahead to fiscal 2012/2013, as yet there are no signs of a sustained improvement in the business environment. We believe it is entirely possible, reflecting developments in the global economy, that the current level of uncertainty surrounding our future net sales and profits will continue.

Disclaimer. The statements made in the outlook are based on current assumptions and assessments made by the Board of Directors of Wincor Nixdorf AG. They are not intended to be taken as guarantees that these expectations will prove to be correct. The future performance and actual results achieved by Wincor Nixdorf AG and its affiliated companies depend on a series of risks and uncertainties and may, therefore, vary considerably from the forecasts made. Many of these factors, such as the future of the economy and the actions of our competitors and other market players, are outside the control of Wincor Nixdorf and cannot be predicted with any degree of certainty. There are no plans to update the forecasts made in this section. Wincor Nixdorf does not accept any specific obligation in respect of the forecasts in this report.

Group Income Statement for Fiscal 2010/2011.

	€m		
	2010/2011 ¹	2009/2010 ²	Change
Net sales	2,328	2,239	4%
Cost of sales	-1,758	-1,677	5%
Gross profit	570	562	1%
Gross profit as a percentage of net sales	24.5%	25.1%	
Research & development expenses	-100	-101	-1%
R&D expenses as a percentage of net sales	4.3%	4.5%	
Selling, general and administration expenses ³	-308	-299	3%
SG&A expenses as a percentage of net sales	13.2%	13.4%	
EBITA⁴	162	162	0%
EBITA as a percentage of net sales (EBITA margin)	7.0%	7.2%	
Amortization/depreciation of property, plant and equipment and licenses and write-down of reworkable service parts	63	61	3%
EBITDA	225	223	1%
EBITDA as a percentage of net sales (EBITDA margin)	9.7%	10.0%	
Financial result (finance costs ./ finance income)	-7	-6	-1
Profit before income taxes	155	156	-1%
Ongoing taxes on income and profit	-39	-46	7
Deferred tax income and expenses	-8	-4	-4
Total income taxes	-47	-50	3
Tax rate	30%	32%	
Profit for the period	108	106	2%
Profit attributable to non-controlling interests	-1	0	-1
Profit attributable to equity holders of Wincor Nixdorf AG	107	106	1%

¹Oct. 1, 2010–Sept. 30, 2011.

²Oct. 1, 2009–Sept. 30, 2010.

³including other operating income and expenses.

⁴net profit on operating activities before interest, taxes and amortization of goodwill.

Group Balance Sheet as of September 30, 2011.

Assets				€m
	Sept. 30, 2011	Sept. 30, 2010	Change	
Non-current assets				
Intangible assets	354	352	2	
Property, plant and equipment	151	153	-2	
Investments	7	1	6	
Reworkable service parts	25	22	3	
Deferred tax asset	27	26	1	
Other assets	5	4	1	
	569	558	11	
	44%	44%	-	
Current assets				
Inventories	266	288	-22	
Trade receivables	387	341	46	
Other assets	63	64	-1	
Cash and cash equivalents	22	20	2	
	738	713	25	
	56%	56%	-	
Total assets	1,307	1,271	36	
Equity and Liabilities				€m
	Sept. 30, 2011	Sept. 30, 2010	Change	
Equity	330	358	-28	
	25%	28%	-	
Non-current liabilities				
Accruals for pensions and similar commitments	24	23	1	
Other accruals	47	47	0	
Financial liabilities	2	115	-113	
Deferred tax liabilities	28	18	10	
Other liabilities	3	6	-3	
	104	209	-105	
	8%	17%	-	
Current liabilities				
Other accruals	123	146	-23	
Financial liabilities	197	39	158	
Advances received on orders	19	32	-13	
Trade payables	288	274	14	
Current income tax liability	25	23	2	
Other liabilities	221	190	31	
	873	704	169	
	67%	55%	-	
Total equity and liabilities	1,307	1,271	36	
Working capital	263	235	28	
Net debt	199	134	65	

Group Cash Flow Statement.

	€m		
	2010/2011	2009/2010	Change
EBITA	162	162	0
Amortization/depreciation of property rights, licenses and property, plant and equipment	54	52	2
Write-down of reworkable service parts	9	9	0
EBITDA	225	223	2
Interest paid/received	-5	-5	0
Income taxes paid	-37	-52	15
(+/-) Working capital	-31	-33	2
(+/-) Other assets and other liabilities, accruals and other non-cash related items	-8	21	-29
Cash flow from operating activities	144	154	-10
Cash flow from investment activities	-66	-62	-4
thereof acquisition activities	-3	0	-3
thereof investment for reworkable service parts	-12	-10	-2
thereof investment for intangible assets and property, plant and equipment	-52	-53	1
Cash flow from financing activities	-54	-116	62
thereof net changes in financial loans	85	-37	122
thereof repurchase of own shares	-89	-14	-75
thereof payments made to equity holders	-53	-59	6
Net increase/decrease in cash and cash equivalents	24	-24	48
Cash and cash equivalents at beginning of period	-18	6	-24
Cash and cash equivalents at end of period	6	-18	24
Free Cash flow	80	91	-11

Segment Report.

Operating Segments.

			€m
	Banking	Retail	Group
Net sales to external customers	1,527 (1,497)	801 (742)	2,328 (2,239)
Operating profit (EBITA)	120 (126)	42 (36)	162 (162)
Segment assets	577 (562)	273 (262)	850 (824)
Segment liabilities	255 (250)	137 (145)	392 (395)
Investment in property rights, licenses and property, plant and equipment	44 (46)	7 (6)	51 (52)
Investment in reworkable service parts	10 (8)	2 (2)	12 (10)
Amortization/depreciation of property rights, licenses and property, plant and equipment	47 (44)	7 (8)	54 (52)
Write-down of reworkable service parts	7 (7)	2 (2)	9 (9)
Research and development expenses	68 (67)	32 (34)	100 (101)

Last year's figures are shown in brackets for each item.

Secondary information.

					€m
	Europe	<i>Included in Europe: Germany</i>	<i>Asia/Pacific/ Africa</i>	Americas	Group
Net sales to external customers	1,735 (1,603)	612 (644)	356 (332)	237 (304)	2,328 (2,239)
Segment assets	600 (560)	332 (295)	200 (193)	50 (71)	850 (824)
Non-current assets	173 (171)	157 (153)	16 (16)	6 (6)	195 (193)
Investment in property rights, licenses and property, plant and equipment	48 (43)	38 (37)	2 (3)	1 (6)	51 (52)
Investment in reworkable service parts	11 (9)	11 (9)	1 (1)	0 (0)	12 (10)

Last year's figures are shown in brackets for each item.