



PRESS CONFERENCE

Fiscal 2008/2009

based on preliminary figures

Düsseldorf, November 10, 2009

KEY FIGURES 2008/2009.

	2008/2009 ¹	2007/2008 ²	Change
Financial Statement (€ million)³			
Net sales	2,250	2,319	-3%
Gross profit	582	636	-8%
Gross profit as a percentage of net sales	25.9%	27.4%	-
Research & development expenses	-103	-105	-2%
R&D expenses as a percentage of net sales	4.6%	4.5%	-
Selling, general and administration expenses ⁴	-300	-325	-8%
SG&A expenses as a percentage of net sales	13.3%	14.0%	-
Operating profit (EBIT)	179	206	-13%
Goodwill amortization	0	0	-
EBITA ⁵	179	206	-13%
EBITA as a percentage of net sales (EBITA margin)	8.0%	8.9%	-
Amortization/depreciation of property, plant and equipment and licenses and write-down of reworkable service parts	56	54	4%
EBITDA	235	260	-10%
EBITDA as a percentage of net sales (EBITDA margin)	10.4%	11.2%	-
Profit for the period	114	127	-10%
Profit for the period as a percentage of net sales	5.1%	5.5%	-
Profit for the period before carve-out	117	135	-13%
Earnings per share (€) ⁶	3.54	4.08	-
Cash flow (€ million)			
Cash flow from operating activities	177	196	-10%
Cash flow from investment activities	-67	-72	-7%
	Sept. 30, 2009	Sept. 30, 2008	Change
Key Balance Sheet Figures (€ million)			
Working capital	202	253	-51
as a percentage of net sales	9.0%	10.9%	-
Net debt	150	194	-44
Equity ⁷	330	276	54
Human Resources			
Number of employees (September 30)	9 381	9 460	-79

¹ Oct. 1, 2008–Sept. 30, 2009.

² Oct. 1, 2007–Sept. 30, 2008.

³ before profit charges arising from the carve-out.

⁴ including other operating income and expenses.

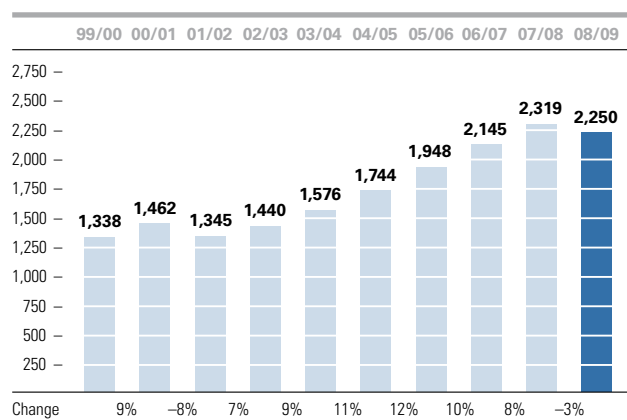
⁵ net profit on operating activities before interest, taxes and amortization of goodwill and product know-how.

⁶ calculated on basis of 33.085 million shares.

⁷ including minority interest.

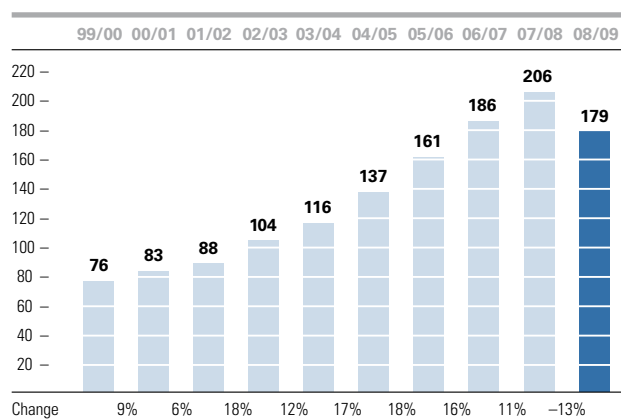
10-year Net Sales History.

€m



10-year EBITA History.

€m



WINCOR NIXDORF GROUP IN FISCAL 2008/2009.

COMPANY PROFILE.

Wincor Nixdorf offers IT-based solutions for retail banks as well as retailers and their branch operations. Our focus lies on optimizing the associated business and IT processes, so that our clients can concentrate in turn on their own end customers and work as efficiently and internationally as possible.

Our portfolio brings together process automation and the migration of standard or support processes to self-service systems. Within this framework, an increasing part of our work involves consulting, tailoring IT solutions to individual customer requirements and on-site implementation and integration.

Solutions for Companies Undergoing Change. Increasingly, we design complete solutions for our customers covering entire business processes. Examples of these solutions include automation solutions for check and cash deposit/processing, cash handling at bank/retail branch level and reverse vending systems. Thanks to our expertise, Wincor Nixdorf is superbly placed to act as a one-stop provider for IT solutions.

Wherever our customers wish to concentrate on their own core competencies, we can take full or partial responsibility for the running of the company's branch IT infrastructure, while ensuring the operational readiness of the systems we install across the entire product life cycle.

It is not only retail banks and retailers that maintain branches and branch networks. Our target group and customer base extend to other applications geared, for example, towards companies with similar structures facing the same challenges, such as postal operators and service station chains. They, too, can benefit from our know-how.

Global Group Based in Germany. Wincor Nixdorf is a global group based in Germany. We have now established a presence in around 100 countries, of which 41 are home to one of our subsidiaries. Our international business accounts for approximately three-quarters of net sales. Over half of our 9,000-plus workforce is employed outside Germany – one in five in the Asia/Pacific/Africa region. Outside Germany, our main production sites are located in Singapore and China.

In recent years, we have expanded our international operations to make us one of the world's leading providers of IT solutions and services for retail banks and retailers. We have opened up new markets and created a global development, production and logistics network that allows us at all times to supply our products flexibly and competitively with regard to quality, time and cost. We maintain close contact with our customers throughout the world, while our strong sales force and comprehensive service network contribute to our international success.

Further information on our markets, our competitive position and our products and services can be found in the sections "Strategy, Targets and Value Management at Wincor Nixdorf" on page 4 et seq. and "Segment Performance" on page 16 et seq.

STRATEGY, TARGETS AND VALUE MANAGEMENT AT WINCOR NIXDORF

Business Model. Our business activities are centered around the banking and retail industries, with a particular emphasis on their branch operations and related processes and procedures.

Both industries face increasingly complex challenges. This has led to a rapidly expanding role for information technology, which is no longer regarded simply as a means of ensuring cost-efficiency; nowadays, it acts as a driving force for competitive growth, setting the pace for change within companies. Against this backdrop, information technology has established itself as a key element of our customers' strategic planning and operating business.

IT processes are becoming increasingly complex. Alongside these processes, the role of change management is also 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 complete outsourcing of operational management.

These developments are also reflected in our portfolio. Wincor Nixdorf has continually expanded, evolving from a dedicated hardware manufacturer to a product and service specialist capable of embracing related business areas. This has allowed us to gradually increase our share of the value chain created by the drive for change and innovation among our customers.

Enhancing our Customers' Competitiveness. Our strategic aim is to drive and support the process of change among retail banks and retailers throughout the world. By designing processes and procedures that are as innovative, efficient and customer-friendly as possible, we can help to make our customers fit for competition and for the future. Above all, as "partners in change" we can reduce the complexity of the tasks facing our customers by providing the full

range of the products, services and know-how they need from a single source. This also has benefits for Wincor Nixdorf, as we are then able to pool our strengths, offer new and competitive services and expand our skills base in systematic form. Furthermore, our primary focus on the branch operations of banks and retailers has given us a wide-ranging and deep-rooted understanding of our customers' processes. Our goal and the challenge we set ourselves is to optimize these processes. The guiding principle of all our work is to maximize customer utility, to create added value for banks and retailers and in doing so retain their business over the long term.

Growth Strategy. Over the next few years, we aim to drive growth and boost our performance by means of four strategic levers: global expansion, innovation, comprehensive high-end services and the expansion and transfer of our branch and self-service know-how to other applications. All four levers complement each other, and each can be used to exploit potential new growth.

Global Expansion. Building on our position as market leader in Germany, we have pushed ahead with a vigorous program of internationalization focused initially on continued expansion among our close neighbors in Europe. We now generate 75% of net sales in this region.

We are making every effort to consolidate our position as the clear market leader in Germany and to establish ourselves as the leading European player within our business segments.

Our strength in Europe provides a springboard for continued global growth. Above all, it is the extremely competitive nature of business in our target industries here that gives us a vital impetus in the ongoing development of complex, high-end solutions.

Asia/Pacific/Africa and the Americas together account for around two-thirds of the global market. As a logical consequence of our internationalization strategy, it makes sense for us to expand further and step up our efforts in these regions.

In the Asia/Pacific/Africa region, we aim to earn a place among the top providers in both of our business segments. Our aim in the Americas is to strengthen our market position by a significant margin.

With retail banks and retailers expanding their own operations in line with economic growth in emerging markets, these regions are of increasing importance to us, and we are well placed to support this process with our experience and know-how.

Innovation. Our strength depends on our ability to innovate. It is for this very reason that we now employ almost a thousand staff in Research and Development (R&D). Every year, we invest roughly 4.5% of net sales in R&D projects. This level of spending is considered essential when it comes to underpinning our aspirations within the area of innovation leadership. 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 efficiency and quality.

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

Our research and development work is focused particularly on:

- further advances in the application of convergent base technologies to optimize both banking and retail processes, e.g., for the recognition and handling of bank notes in cash-based processes
- improvements to the serviceability of our hardware and software to further enhance their availability and cost-efficiency across the entire life cycle
- software as the key to optimizing process chains in the branch operations of retail banks and retailers; our focus here is on the development of hardware-independent software
- high-end solutions with corresponding hardware and software as a means of achieving significant growth in these areas.

All-embracing, High-quality Services Portfolio.

Smooth and efficient business processes are crucial to the success of our customers and help them gain an edge over their competitors. In this respect, the portfolio of services offered by Wincor Nixdorf is an important contributory factor.

With a view to optimizing further business processes in the value chains of our customers within the banking and retail industries, we are vigorously expanding our range of high-end services.

We regularly add new components to the portfolio of innovative services we have developed to boost availability and process quality. At the same time, in order to support strong growth in these areas, we are expanding the global network of resources we use to deliver our services.

We see considerable potential for further growth in highly complex services and therefore devote particular attention to these as part of our growth strategy.

Managed Services and Outsourcing. Our aim is to ensure the best possible and most efficient operation of the bank's or retailer's branch IT infrastructure. We offer Managed Services, a standardized operating concept that can be implemented rapidly and smoothly, or we can provide support for ongoing process transformation in the form of an Outsourcing project, where we assume responsibility for the running of the entire branch-related IT infrastructure. Our portfolio of services helps customers to achieve sustainably competitive cost structures and to convert fixed costs into variable costs. By taking end-to-end responsibility for the company's IT systems, we can reduce our customers' operating risks to a minimum.

Professional Services. Other attractive growth areas include consulting, IT integration and adaptation as well as staff training. By providing this support, we can help our customers to respond to changes in their companies more efficiently and more rapidly. The term "Professional Services" covers the full portfolio of services we provide in this area, ranging from process redesign and solutions planning and implementation to the maintenance and updating of these applications.

We place increasing emphasis on the expansion of complex services such as Managed Services, Outsourcing and Professional Services.

Expansion and Transfer of Branch and Self-service Know-how to other Applications. Wincor Nixdorf is not only expanding at a regional level; it is also opening up new and related areas of business with similar branch structures and hence similar IT infrastructure requirements. These areas include the branch offices of postal operators and service stations. Here, too, there is a need to design efficient and customer-friendly processes – with the help of suitable IT solutions. In many cases, this will involve migrating functions and operations to self-service or automated system concepts.

Our aim is to exploit potential synergies by attracting new orders from related areas of business without losing sight of our principal focus on Banking and Retail.

Ancillary Programs in Support of Corporate Goals. In order to support the Company's targets in the most effective way possible, and integrate them even more efficiently into everyday business, we have initiated and continue to develop a number of Group-wide programs. By defining success factors right at the start, we can facilitate the process of implementing and reviewing these measures and developing new ones.

The task of achieving our market objectives is effectively supported by our "Road to the Top" growth program, while income levels are underpinned by our "ProImprove" program, which aims to ensure continuous improvements in profitability. Our established "Innovation and Quality" program helps to maintain a high level of these essential factors. Furthermore, since we regard the culture of our organization ("People with Spirit") as indispensable to our past and future success, we have put in place the requisite foundations that will help us maintain, carry forward and develop that culture.

During the year under review, Wincor Nixdorf launched a Group-wide program entitled "ProFuture" in order to conduct a fundamental review of existing procedures and structures. The aim is not only to lead the Company through the present difficulties in the wider economy but also to put it in a strong position for the future and encourage renewed growth. Rather than substituting our existing growth and efficiency programs, ProFuture is intended to act in a supporting role. The primary goal is to implement permanent structural and process-related changes as a means of boosting overall performance and efficiency.

BUSINESS ENVIRONMENT.

Global Downturn Bottoms Out. For Wincor Nixdorf, fiscal 2008/2009 began immediately after the bankruptcy of the U.S. investment bank Lehman Brothers. At first, the scale of the impact this event was to have on the global financial sector was not foreseeable; by the middle of our fiscal year, however, the dramatic consequences were becoming increasingly evident and finally led to the most severe global economic crisis since 1929.

Economic research institutes and other market experts are forecasting a downturn in overall economic output in 2009, although there is no consensus as to the actual severity of the downturn and the speed and durability of any recovery in the global economy. While the International Monetary Fund (IMF) expects global GDP to contract by 1.1% in 2009, a number of leading German economic research institutes (the "Joint Diagnosis Project Group") have published a more pessimistic forecast in their "Fall 2009 Joint Diagnosis", in which they predict a decline of 2.5% in world production. According to this report, economic output in the industrialized countries is set to contract by around 3.5%, and this in turn will hold back any recovery in the developing countries. In the view of the Project Group, it is this group of countries that is likely to provide the initial impetus to the global economy.

For Germany, the IMF anticipates an even sharper downturn of 5.3%. According to the Project Group, Germany is experiencing its worst recession since the creation of the Federal Republic. It expects the German economy to contract by 5.0% in 2009, with falling global demand for investment goods having a severe impact on the export industry. The crisis has spread to the entire German economy over the year, although there are now signs that it may be leveling out. Based on data released by the Project Group, the German economy recorded a slightly stronger increase in production in the third quarter of 2009 compared with the second quarter of 2009.

According to the IMF, the eurozone economy will contract by 4.2% in 2009. The Project Group predicts a fall of 3.9%. However, there are many indicators that suggest the region emerged from the lowest point of the downturn in the summer.

The IMF takes a more optimistic view for 2009 in Asia, where it expects economic growth of 6.2%, with China and India likely to record increases of 8.5% and 5.4% respectively. In the assessment of the Project Group, Asian GDP has been experiencing a strong recovery since the spring of 2009. The research institutes therefore anticipate that China will more or less reach its government target of 8% growth and that India will see an increase in production of 6%.

Looking at the United States, the IMF sees a decline of 2.7% for 2009, while the Project Group forecasts a decline in GDP of 2.6%, albeit with signs of an end to the recession. During the reporting year, the U.S. Treasury implemented a historic cut in interest rates. The prime rate was lowered from the previous level of 1.0% to fluctuate between 0 and 0.25%.

Currency Instability. Fiscal 2008/2009 was again marked by severe exchange rate fluctuations. The euro started as it had ended the last fiscal year at the high level of USD 1.41. After falling to USD 1.24 in November 2008, it climbed back to over USD 1.40 at the end of 2008, only to drop back to below USD 1.30 by the beginning of March 2009. In September 2009 it reached a new high for the year of over USD 1.46. At the end of fiscal 2008/2009, the euro stood at USD 1.46.

General Developments in Retail Banking and the Retail Industry. Although it was not possible to predict at the beginning of the fiscal year that the financial crisis, which was initially restricted to the U.S., would evolve into a global crisis for the real economy, Wincor Nixdorf's own assessments of the trends within retail banking and the retail industry

largely proved to be correct, with the situation in both industries deteriorating and prompting a general reluctance to invest. However, it was the scale of this downturn in investment that we could not foresee at the beginning of the reporting year. Despite this, the fundamental trends in both industries are still in place, and both banks and retailers remain determined to make additional, ongoing cost reductions in all their business processes while striving to be even more customer-friendly. As a result, those companies in a stronger financial position did continue to invest. Irrespective of investment, the market for IT services proved to be more resistant to the crisis than many parts of the hardware business. According to a survey conducted by the American market research firm Gartner for 2009, net sales from global IT services are expected to decline by "only" 5.6% compared to 2008. Service contracts, which usually run over several years, are also an important factor in stabilizing this market. (Gartner, IT Spending Forecast; 2Q 2009 Update, June 2009).

Developments in Retail Banking. The global financial crisis has left a significant mark on the banking industry, not least through the collapse of a number of banks throughout the world and a subsequent move towards consolidation within the industry. As a consequence, overall readiness to invest also fell, although there were some exceptions depending on the financial strength of individual banks.

Throughout 2009, the consequences of the financial crisis spread out from North America and Western Europe to affect Central Europe and Asia, a situation that is likely to continue into 2010. This is the view of a survey by the market research firm Datamonitor looking at the negative impact of the financial crisis on investment in IT (Impact of the Financial Crisis on Technology Spending in Banking, January 2009). According to Datamonitor, this is likely to increase the pressure to reduce capital expenditure on IT in the corporate and retail banking segments, leading to a contraction of 2.0% in the global Banking IT market.

In the hardware sector, the general impact of this investment downturn on total spending was particularly noticeable in terms of sales of automated teller machines (ATM). A study carried out by British market researchers Retail Banking Research (RBR) predicts a 14% drop worldwide in the number of ATMs in 2009 (RBR, Banking Automation Bulletin, Issue 266, 2009).

The Predominant IT-related Trends in the Banking Industry, such as continued process optimization and standardization to boost the bank's productivity and earnings, remained unchanged. In an IT survey conducted by IDC and Capgemini in Germany, for example, 56% of the bankers who responded regarded these targets as important.

Among those surveyed, measures to increase the degree of automation through IT were almost as important (49%), while other priorities included action to intensify sales through cross- and up-selling (40%) and the full or partial outsourcing of business processes (19%). Given this scenario, the survey concludes that planned spending for 2009 was likely to go ahead, although at many banks investment decisions would be looked at more thoroughly than before. What measures are planned to optimize business processes? At present, according to the survey, the banks intend to improve data and information management (48%), introduce business process management (40%) and standard software (37%), redesign existing applications (31%) and introduce a service-oriented architecture (SOA) (26%).

Multi-channel Selling as Service and Communications Platform. More and more banking customers are using a range of channels to perform financial transactions. According to a 2008 survey by Steria Mummert Consulting, in a market such as Germany the branch remains the most frequent point of contact for customers (89%), followed by internet banking (84%) and self-service systems (68%). Banks are responding to emerging new customer requirements by providing a finely tuned strategic combination of different sales channels.

At the same time, there is an increasing emphasis on communications with customers as a means of strengthening customer retention. In this respect, the role of IT is to prepare appropriate customer data for individual sales channels and to make this data available for general use at branch level, on the internet or for other channels such as mobile banking. In response to the financial crisis, many banks are striving to enhance communications with their customers as a means of counteracting the widely perceived loss of confidence.

Branch Transformation – Focus on Intensifying Contact with Customers.

In recent months the branch has reinforced its importance for many banks as a platform for communications with their customers. In the established markets above all, banks have therefore invested in the modernization of their branches with a particular emphasis on issues such as customer proximity, the intensification of sales and the provision of individually targeted advice. This trend has had a marked impact on layout and the technical equipment to be found at branch level. The banks are aiming to boost customer loyalty by adopting a more forceful and more emotional approach. As a result, the optimization of branch processes through IT continues to enjoy a high priority. Banks are investing, for example, in information and communications technology for their advisers' workstations and making additional use of branch self-service systems to facilitate personal communication with an adviser on site.

Mobile Banking Sees Rapid Global Expansion.

In both Europe and Asia, a growing number of banking transactions are being carried out via cellphone. Indeed, in some developing countries mobile banking is expanding even faster than in the developed markets. The growing popularity of this sales channel is predominantly due to the massive global availability of cellphones. Mobile banking offers customers the convenience of being able to perform a transaction wherever they happen to be and at any time. According to the survey conducted by Steria Mummert Consulting, in Germany alone around half of all banks are planning to invest in mobile banking by 2011.

Fraud Protection Gains Higher Priority. The number of attempts at fraud and manipulation in areas such as ATM use has increased substantially. In 2008, according to a survey by the European Network and Information Security Agency (ENISA), in the EU there were more reported cases of ATM fraud than ever before. Figures from ENISA relating to 2008 point to a 150% increase in criminal activity on the previous year, with the associated damage totaling nearly €500 million. Banks are reacting to this development by investing in comprehensive security solutions to protect their IT systems and branches, their staff and customers and, ultimately, their reputation.

Automating Standard Processes and Using Self-service Technology to Generate New Business.

This is the philosophy behind the efforts of the retail banking industry to drive ahead with the automation of a wide range of products. We are seeing an increasing migration to self-service machines, above all with the aim of processing standard transactions such as cash disbursement, receipt printing and, in many countries, the paying in of checks and the automated settlement of invoices. In particular, the automation of these standard processes opens up attractive prospects for rationalization. According to ibi research at the University of Regensburg, however, as self-service systems are a widely used sales channel, the trend is increasingly towards self-service concepts that also aim to increase customer loyalty through a pro-active appeal to customers and cross-selling (The Self-service Sales Channel, 2008).

Outsourcing. Many banks are now transferring the management and operation of their infrastructure to external service providers as a means of reducing their operating costs. Retail banks are predominantly using this approach to outsource tasks such as the operation of their self-service or branch IT systems.

Developments in the Retail Industry. During periods of crisis, retailers also tend to keep a tighter rein on investment in modern IT systems, with the result that in the year under review spending on new and upgrade technology was frequently postponed. A noticeable increase in competitive pressure reinforced the demand for process automation and optimization concepts as well as the standardization of system platforms that contribute to further rationalization. As regards investment, demand was focused primarily on projects that offer a demonstrably fast return, such as automated checkouts in the checkout area. Generally speaking, retailers adopt retail formats and structure their product ranges in such a way as to stand out from their global competitors. The result is a continuous stream of new concepts whose goal is to boost process efficiency, reduce costs and at the same time improve customer service. At the development stage, both systems and concepts are increasingly geared towards the requirements of customers and operational necessity. As a result of the crisis, retailers have clearly put the brakes on their expansion into emerging markets.

Trends in the EPOS Business: Global Downturn in Deliveries – Market Demands Greater Computing Power and Lower Energy Use. The hardware segment was particularly hard hit by falling investment. British market researchers RBR predicts a year-on-year decline of around 10% in the number of EPOS (Electronic Point of Sale) systems supplied to the retail industry in 2009. If we break down this figure geographically, the biggest downturn will be in the markets of Western Europe and North America, whereas the Asia/Pacific and Latin America regions are likely to show modest growth (RBR 2009 Global EPOS and Self-Checkout, Food/Non-Food/General Merchandise).

The traditional checkout is increasingly being transformed into a multi-function, high-performance checkout system. From displaying video camera pictures and planning staff

rotas to handling customer loyalty program discounts and coupons and linked payment systems, a modern checkout system has to be able to deal with several applications simultaneously without any loss of service or performance. For retailers, this means investing in systems with greater computing power but a lower energy profile. Increasingly, POS computers are being converted to run on energy-saving technology. Peripheral devices with a lower energy profile are also in demand.

As a result of this increased computing power, multifunctional flat-screen monitors are now coming to dominate the checkout area. The great advantage here is that they offer a much more flexible user interface and allow efficient and intuitive operation. We are also seeing the increasing deployment of customer-directed displays that extend the dialog with customers and boost customer loyalty.

Transforming Checkout Processes – Various Scenarios for Automation and Self-service Solutions.

Encouraged by a positive response from their customers and driven by a pressure to rationalize, more and more retailers are investing in self-checkout systems. The British market researchers RBR anticipates considerable growth in this market segment, with global sales of automated checkout systems set to rise by 15% on the previous year. Leading this expansion are the European markets where investment in this field is now taking off after lengthy test phases. According to analysts, the number of automated checkout systems in place by the year 2012 is likely to triple (RBR 2009 Global EPOS and Self-Checkout, Food/Non-Food/General Merchandise).

Automation of the checkout procedure, which accounts for roughly a quarter of average branch process costs, reduces expenditure and improves customer satisfaction by offering more guidance. A further boost to customer loyalty comes from shorter waiting times at the checkout and the opportunity for customers to control the checkout process themselves, giving the retailer a potentially valuable competitive edge. The increasing acceptance of this innovative technology among consumers is apparent from the overall use of self-service systems, which can be as high as 60% in those branches that have already been equipped with the technology.

A wide range of checkout systems is available with different scenarios for different types of retail outlet including traditional staffed checkouts, mobile self-scanning while shopping and fixed payment terminals operated by the customer. Checkout areas increasingly contain a combination of systems, while standard software platforms with open architectures create the basis for a smooth interplay between varying solutions and facilitate problem-free integration into the retail customer's existing IT infrastructure. Their role is also to ensure that sales and customer data can be made available rapidly and securely.

Alongside the trend towards self-service systems, there is a growing interest in mobile devices that can be used by customers to display additional product information, including the price of an item. Retailers are increasingly attracted by these solutions, as they increase the level of interactive communication with branch customers and therefore help to strengthen customer loyalty.

Streamlining of Cash Handling and Retail Cash Management. There is still enormous potential to improve efficiency at retail branch level by optimizing the extremely time-consuming cash processes which are still predominantly carried out by hand. With this in mind, more and more retailers are prioritizing the automation of processes ranging from checkout payment to the consolidation of cash deposits in the cash office.

Investment in Software and Solutions Relatively Unscathed. According to a survey conducted in June 2009 by Pierre Audoin Consultants (PAC), global investment by the retail industry is set to end the year down by around 4%. International retailers are turning more frequently to globally standardized software platforms that are centrally managed and configured. The primary focus here is on providing the simplest possible support for existing solutions and ensuring the smooth installation of new solutions within existing IT structures. This standardization also helps retail groups to maintain a constant overview of developments in their branches and allow them to access the corresponding data centrally via a web service from any location.

Managed Services. Growing economic pressure on the retail industry is leading an ever greater number of companies to seek a way of outsourcing technology and business processes to an IT service provider. The main benefit is clear – a significant reduction in costs (Datamonitor Retailing in a Recession: The Opportunities for Outsourcing, April 2009).

GROUP BUSINESS PERFORMANCE.

At the start of the reporting year, the prospects were still positive. Based on the information and knowledge available to us in November 2008, it was our view that Wincor Nixdorf could build on the excellent results achieved in 2007/2008, although there were already some signs of a deterioration in business performance. At the time, we qualified our assessment by noting that it was not yet clear how events would unfold.

At the end of the fiscal year, despite a dramatic deterioration in the overall economic situation, we were roughly able to meet our expectations of net sales thanks to a relatively stable performance in the first six-month period. However, operating profit was down significantly on the previous year, above all as a result of pressure on our gross margin.

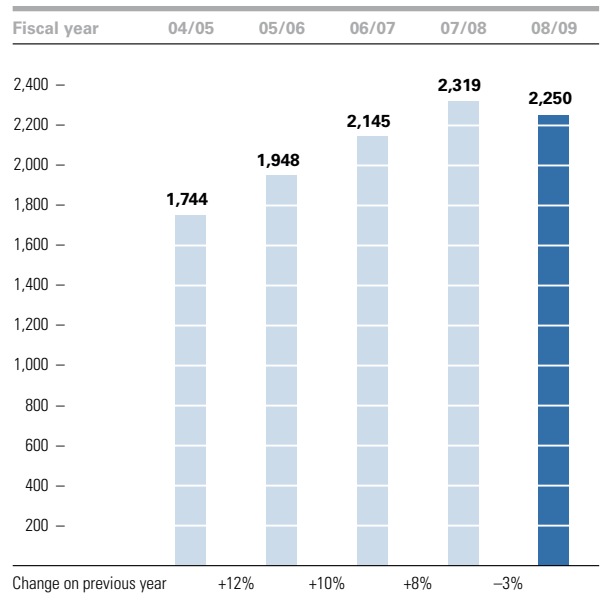
Net Sales. Net sales for fiscal 2008/2009 declined by 3% to €2,250 million (2007/2008: €2,319 million). Adjusted for currency fluctuation between the euro and the U.S. dollar, net sales were down 5%. However, the exchange rate impact of a resurgent U.S. dollar was largely offset by the weakening of other currencies.

Regional Performance. Results from the different regions in the Group were inconsistent. Business was not only affected by the performance of the corresponding national economies but also depended upon the extent to which individual banks or retailers and their readiness to invest were hit by the global financial crisis. Although business in Germany and in the strategic growth regions of Asia and the Americas continued to expand, demand in the rest of Europe fell.

In **Germany**, total net sales rose 7% to around €627 million (2007/2008: €588 million). As a result, the country's contribution to total Group sales increased to 28% (2007/2008: 25%).

Net Sales History.

€m



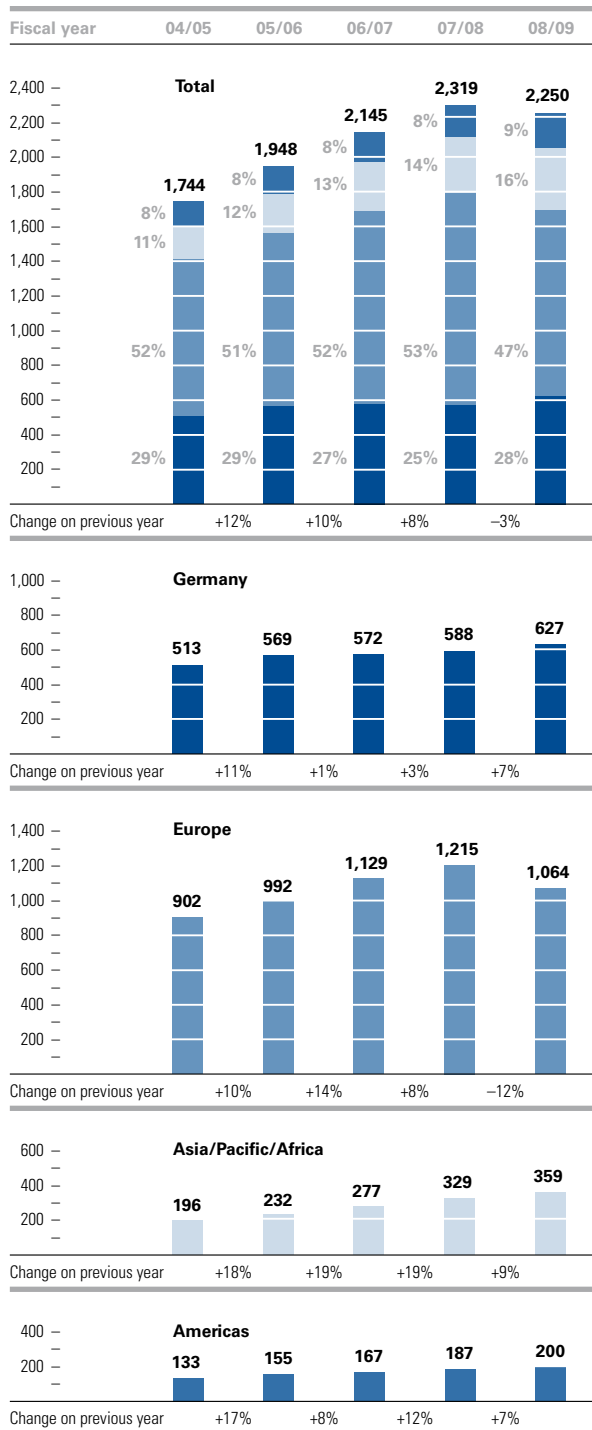
In **Europe** (excluding Germany), net sales were down 12% to €1,064 million (2007/2008: €1,215 million). As well as a downturn in business in some Western European countries, the main factor here was the particularly severe impact of the economic crisis on the countries of Eastern Europe. At 47% (2007/2008: 53%), Europe (excluding Germany) accounted for the largest share of total Group sales.

Results in the **Asia/Pacific/Africa** region ended the fiscal year on a positive note. Although net sales fell slightly by 2% in U.S. dollar terms on account of a major shift in the euro/dollar exchange rate compared to the previous year, net sales expressed in euros recorded a substantial 9% rise to €359 million (2007/2008: €329 million), taking the region's share of total Group sales to 16% (2007/2008: 14%).

Net sales in the **Americas** were down 4% in U.S. dollars. When converted into euros, however, this was equivalent to growth of 7% to €200 million (2007/2008: €187 million), with the result that the region's share of total Group sales rose to 9% (2007/2008: 8%).

Changes in Regional Sales Trend.

€m

**Performance by Business Stream.**

The global downturn in the supply of ATMs and EPOS systems led to a significant fall in **Hardware** sales at Wincor Nixdorf. Accordingly, the Company found itself confronted by additional pressure on its prices and a corresponding reduction of its margins. Unfortunately, it was not possible to exploit economies of scale on the same level as the previous year.

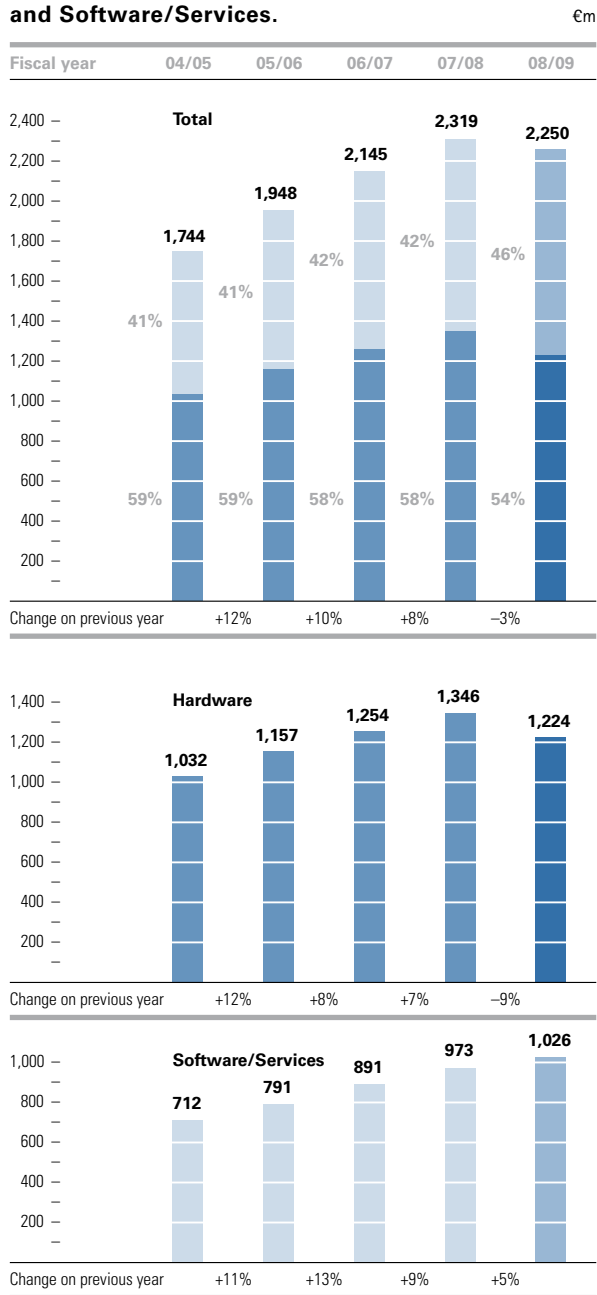
Overall revenue from the Hardware business declined 9% in the year under review to €1,224 million (2007/2008: €1,346 million). As a result, the contribution to total Group sales made by the Hardware business ended the fiscal year down at 54% (2007/2008: 58%).

During the reporting period, we made continuous developments to our hardware portfolio in the light of changes in the nature of our banking and retail customers' IT processes. One particular area affecting both segments is the introduction of automated cash handling technology which enables banks and retailers to exploit further potential for rationalization. In both segments, we drove ahead with our initiatives and programs aimed at reducing manufacturing costs, starting as early as the system development stage, in order to alleviate pressure on margins and ensure that we remain competitive.

Software/Services performed well in the year under review, underlining its importance as part of our growth strategy. This business stream covers all the service-oriented elements of the Company's portfolio. These comprise the sale of software licenses, the provision of advice to customers and on-site implementation and integration ("Professional Services"). They also include the full range of services, such as Managed Services and Outsourcing, whose purpose is to ensure the efficient operation of our customers' IT systems.

Total net sales for Software/Services in the reporting year rose 5% to €1,026 million (2007/2008: €973 million), reflecting the importance of this business stream, especially in the current financial crisis, as a stable foundation for generating Group revenue. At the same time, this success feeds into the implementation of our corporate strategy, which provides for the continuous expansion of these activities.

Net Sales Split: Hardware and Software/Services.



In the reporting year, the Software/Services business increased its contribution to total Group sales to 46% (2007/2008: 42%). We also maintained our efforts in the field of software development with a view to expanding our existing portfolio to include a number of new functions.

Wincor Nixdorf's ProClassic/Enterprise Retail Banking Solution Suite ("PC/E Suite") provides its users with a platform that makes it possible to integrate and comprehensively manage the full spectrum of sales channels and key customer-oriented processes (Sales and Marketing/Service and Support). This ensures, for example, that data is used in a consistent way so that each sales channel can be used not only to perform a specific task for the bank's customers but also to market additional services based on the same information. The service-oriented architecture also simplifies IT integration and updating, thus contributing to the reduction of IT operating costs. In addition, the platform is regularly expanded to provide greater functionality in response to new requirements, e.g., integration of the mobile banking sales channel.

For retailers, Wincor Nixdorf's TP Application Suite can be used to manage the entire range of branch and related processes. The software can also be amended to accommodate company- or country-specific additions or adaptations. This is particularly useful for global retail groups that wish to standardize their IT and process infrastructure around the world. This makes it possible, for example, to standardize business processes throughout the value chain across national boundaries – from enterprise resource planning to checkout operations.

During the reporting year, we took steps to further expand our portfolio of Professional Services, e.g., in the field of software integration and adaptation, as well as our capacity with regards to consulting services. In doing so, Wincor Nixdorf was vigorously pursuing its strategic aim of generating further growth in these high-margin, high-growth areas, even in the present difficult economic situation. At Group level, around 700 people were employed within the area of Professional Services in the period under review.

In the field of IT Services, we achieved further growth in Product Related Services, Managed Services and Outsourcing. As well as benefiting from the relative stability of this business during the crisis, since most service agreements with our customers run over several years, we were able to make further improvements in our competitiveness and therefore attract a number of new customers.

Product Related Services continue to form the lion's share of our portfolio of IT Services. Generally speaking, they involve contracts to install, maintain and repair customer systems. These contracts are sometimes marketed in the form of new services such as "Support Packs", standardized services that we offer at a fixed price. We also proved ourselves in a number of large rollout projects that we were able to implement successfully even on very tight schedules. In terms of performance by region, Services saw particular growth in the Americas, where we expanded our network comprising our own resources and those of our regional partners.

There was also an encouraging level of growth in Managed Services, where we gained several new customers. This involves taking over the operation of their branch IT infrastructure in the form of standardized and scalable services. These have been designed with a modular structure and can simply be incorporated by the customer as needed. For the first time, we are also taking over the running of software applications for some customers. During the year under review, we expanded the geographical range of our Managed Services portfolio to cover the United States, Spain and Portugal.

In fiscal 2008/2009, we expanded our Outsourcing business in a number of West European countries, and in others we prepared the ground for their future launch. We offer tailored management concepts and operating models to suit the specific requirements of our customers. For banks in particular, we can take over the partial or complete operation of branch IT infrastructures and applications, including self-service appliances and networks.

The technical basis for managing and providing all our services is Wincor Nixdorf's eServices Platform, which was regularly updated during the reporting year to meet even more demanding requirements. This platform acts as the nerve centre for the remote monitoring and control of customer systems.

Costs. Once again this year, our aim was to improve our cost structure with the help of the Group-wide "ProImprove" program. Despite our efforts, however, in fiscal 2008/2009 the gross margin from net sales before profit charges arising from the carve-out fell 1.5 percentage points to 25.9% (2007/2008: 27.4%). This decline in our margin was due to the disproportionately high fall in prices triggered by lower global demand.

Research and development costs over the reporting period were down €2 million to €103 million (2007/2008: €105 million), equivalent to a fall of 2% on the previous year. By contrast, the R&D ratio rose to 4.6% (2007/2008: 4.5%). This underlines the importance that we attach to the development of innovations as part of our business strategy.

Thanks to strict cost management, the ratio of selling, general and administration expenses to net sales fell 0.7 percentage points to 13.3% (2007/2008: 14.0%). Selling, general and administration expenses, including other operating income and expenses, amounted to €300 million (2007/2008: €325 million).

Profit. Earnings before interest, taxes and amortization of product know-how (EBITA) were down 13% to €179 million (2007/2008: €206 million). The EBITA margin fell 0.9 percentage points to 8.0% (2007/2008: 8.9%).

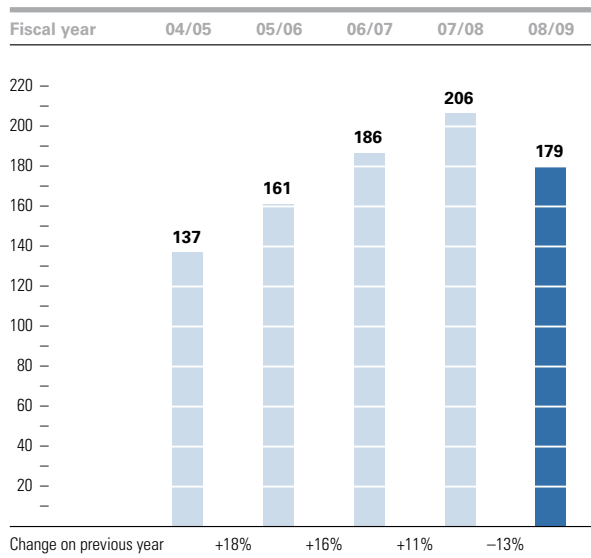
Profit before income taxes declined by €18 million or 10% to €163 million (2007/2008: €181 million). At 30%, the Group's effective tax rate was unchanged from the previous year (2007/2008: 30%).

Profit for the period fell to €114 million, €13 million or 10% below the comparable figure of €127 million for the previous year. This meant a lower return on net sales for the period of 5.1% (2007/2008: 5.5%).

Profit for the period before profit charges arising from the carve-out was down 13% to €117 million (2007/2008: €135 million) due to lower profit charges in the reporting year.

EBITA History.

€m



Dividend. Wincor Nixdorf remains committed to its existing dividend policy: as regards the dividend for fiscal 2008/2009, profit before charges arising from the carve-out will again form the basis for dividend calculations. The aim is to distribute around 50% of this amount to shareholders in the form of a dividend.

For the reporting period, this corresponds to a dividend of €1.85 per qualifying share, a decrease of 13% on the dividend of €2.13 paid out in the preceding year.

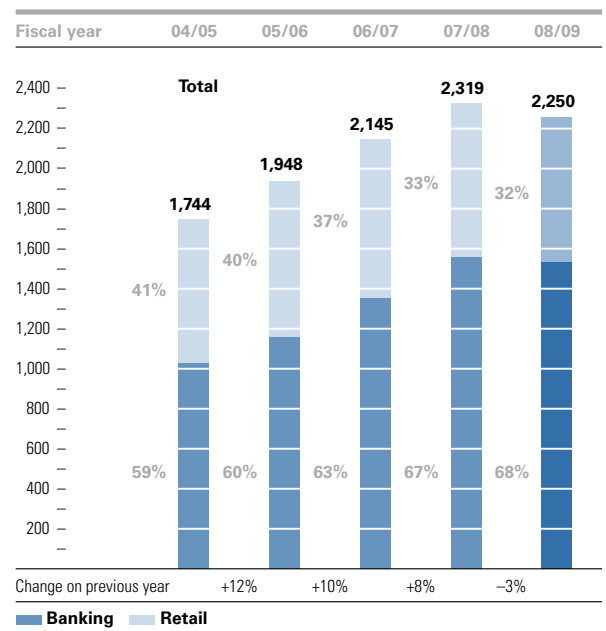
As of September 30, 2009, the consolidated profit of Wincor Nixdorf AG amounted to €188.749k. A dividend of €1.85 per qualifying share will be proposed to the Supervisory Board. This corresponded to a total distribution of €58,578k on the date on which the Group financial statements were released by the Board of Directors. The remaining amount will be carried forward. The dividend will be paid out on January 26, 2010, subject to the approval of the AGM.

SEGMENT PERFORMANCE.

There were differences in the performance of our business segments in fiscal 2008/2009. While net sales in Banking were only slightly down on the previous year, the Retail segment reported a more pronounced downturn. As a result, there was a modest shift in their relative contributions to overall Group sales with Banking accounting for 68% (2007/2008: 67%) and Retail for 32% (2007/2008: 33%).

Net Sales Split: Banking and Retail.

€m



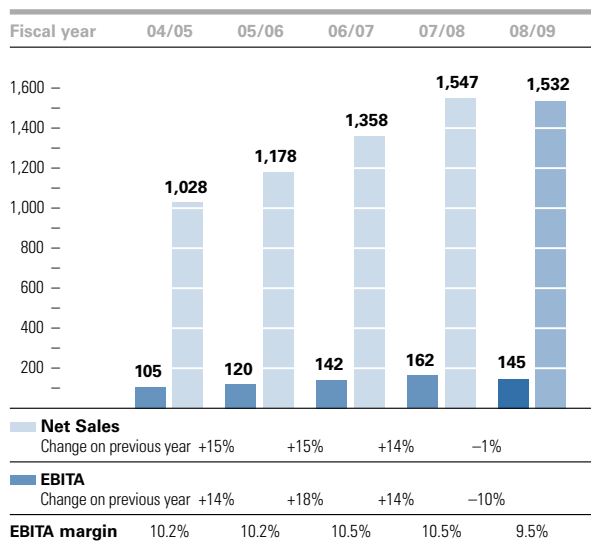
BANKING SEGMENT.

Net sales in the Banking segment were 1% down on the previous year (2007/2008: €1,547 million) at €1,532 million. EBITA fell 10% to €145 million (2007/2008: €162 million) and the EBITA margin to 9.5% (2007/2008: 10.5%).

The reporting year was marked by the partly conflicting trends affecting our individual markets. On the one hand, the financial crisis triggered a global decline in demand for ATMs that also hit Wincor Nixdorf. This reduced our economies of scale, while at the same time increasing pressure on our profit margin. On the other hand, we did see further growth as a result of continuous developments in Software and Services and in end-to-end solutions for business processes.

Net Sales and EBITA History: Banking.

€m



In terms of business and development, our main focus was on the following areas:

Exploiting Further Opportunities for Rationalization of Cash Handling for Customers through Automation.

Our aim is to optimize and pursue the further automation of cash processes while improving security and compliance with auditing requirements along the entire cash supply chain – using innovative new technology. To meet these goals, we continued to develop our hardware portfolio and our analysis and consulting resources and also strengthened our Software and Services capability.

Supporting Customer Branch Operations.

During the year under review, we successfully added a number of new services to our portfolio that help our retail banking customers to design and manage their branches in the most efficient and sales-oriented way possible. This portfolio covers everything from planning and opening through to ongoing branch operation. The concept met with a positive response from our customers, who showed particular interest in the modernization of existing branches. Another new element in the portfolio provides a comprehensive analysis of branch networks, consolidating a range of parameters into a single performance indicator.

Bundling Sales Channels on a Single Software Platform.

We have now bundled together all those elements of our software portfolio that concentrate on the banks' front-office sales and service processes under the umbrella of our PC/E Suite. In particular, we implemented the software required to manage the different sales channels on a single platform in a number of other large-scale projects. As this software was designed with a service-oriented architecture (SOA), once a new function has been developed, it can be re-used for all the sales channels. This paves the way for the rapid and cost-efficient introduction of new functions into our customers' systems.

New Software for the Mobile Sales Channel. In the year under review, we expanded our PC/E Suite to allow banks to offer their customers mobile banking portals as a communications platform. The new software uses the bank's existing IT infrastructure, e.g., for internet banking, and processes the data for display on a cellphone. This makes it possible to offer mobile banking without an additional, redundant infrastructure while providing familiar internet banking services and a high level of security to mobile devices. The software has been available since August 2009. Another new software application allows end users to make cash transfers and cardless cash payments via cellphone. The bank's customers can order payments of a specific amount for themselves or another person. The transaction can be initiated through a large number of sales channels such as self-service terminals, the internet or the counter/checkout. There is particular interest in this solution from customers in countries where many people do not have their own bank accounts.

Expanding Professional Services. We are continuing to expand our portfolio and resources in the field of Professional Services. By way of example, we can take individual software components from our own portfolio, tailor them to meet specific requirements and integrate them into our customers' IT environments. This service ranges from strategic IT consulting and conceptual planning through to the maintenance and updating of applications. At the same time, we expanded our portfolio of specialist banking services such as process consulting and migration for core banking systems. We completed a number of successful projects on behalf of banking clients such as the restructuring of credit processing procedures. Internationally, we can now call on a sufficient number of employees working in cross-border teams in the field of Professional Services for banks, giving us sufficient resources to handle larger-scale consulting projects throughout the world.

Managed Services and Outsourcing. Due to the increasing pressure on costs created by lower earnings, there was a good response to our upgraded portfolio of Managed Services, which involve our taking over specified tasks or processes as part of a customer's IT operations. As well as making further developments in this area, we also expanded our Outsourcing capacity.

New Security Concepts. Fiscal 2008/2009 saw the successful launch of our restructured security portfolio under the name ProTect. Beginning with an analysis of potential risks, it covers hardware, software and services in order to protect banking processes. It also allowed us to start marketing consultancy packages and tailored security solutions for retail banks. In the product area, we enjoyed considerable success with our anti-skimming modules and with customer projects on biometric authentication procedures.

Regional Performance. The Banking business in **Germany** performed very well despite the financial crisis thanks to the expansion of our Outsourcing services, the continued trend towards the automation of branch processes in the retail banking industry and the migration of standard transactions to self-service technology. In addition we secured a number of orders from major banks to install new self-service systems as replacements for existing products in their national networks. By contrast, there was increased competition among producers of cash recycling systems. We strengthened our market position in the field of Professional Services.

Business in **Europe** experienced a sharp downturn. It was strongly marked by a reluctance to invest on the part of the major global banks. At the same time, there was a slowdown in the banks' decision-making processes. In Eastern Europe, investment in the retail banks' branch IT systems fell heavily as West European lenders in particular put the brakes on their financing activities. However, we had some success in Western Europe, e.g., with our PC/E Suite in France, with Professional Services in Spain and in the field of Outsourcing in the U.K.

We expanded our banking operations in the **Asia/Pacific/Africa** region and were particularly successful with self-service deposit/payment products that simplify cash handling. Competition was more intense, however, especially in Asia, where in addition to our international competitors, we see the emergence of local providers. In Africa, our hardware business experienced a decline.

There was further growth in the **Americas** despite the crisis affecting the financial markets. One factor here was the continued expansion of our business in North America. In the United States, for example, we again had considerable success with our self-service systems, which offer a wide range of functions, including, in particular, a facility for the automated acceptance and account posting of cash and checks. A key element of our success lay in the technical improvements we made to deposit systems with regard to stability and availability. We also expanded the geographical coverage of our product support organization in order to promote our business in the U.S. In Canada, we won several orders from major banks.

Performance by Business Stream. **Hardware** sales in the Banking Segment were sharply down on the previous year. Sales of **cash systems** reflected the global downturn in supplies of ATMs in the wake of the financial crisis, although we were able to mitigate the impact of this downturn on our own business. The focus of demand was on compact and high-end systems that offer extended functionality, such as coin deposit and payment, savings book processing and statement printing.

In Western Europe, we successfully introduced a new self-service system for postal operators that allows the user to calculate and pay the postal charge for a delivery and print the required stamp.

Sales of **Non-Cash Products** benefited from investment in the exchange of older transaction terminals and receipt and document printers. They were also driven by software innovations that facilitate the rapid integration into IT environments.

By incorporating these systems into their sales and customer service portals, banks can offer value-added services that might include features such as ticket sales.

We successfully piloted a kiosk system that supports the introduction of Germany's health card and allows users to view their electronic medical file. We also began to market our self-service solutions to pharmacies, healthcare insurers and hospitals.

Software/Services. The expansion of our Software/Services business in the Banking segment proceeded according to schedule in the year under review with a substantial increase in sales.

Underpinning our success in the **Software** business is our ProClassic software family. This served as the basis for development of our PC/E Suite, which concentrates on sales and service processes in banks' front office environment. During the year under review, a number of our customers in Germany and Western Europe took the decision to expand their existing installations, and there was great interest in the additional software functions developed by Wincor Nixdorf that support mobile banking and cardless transactions at the ATM via cellphone.

Following a significant rise in attacks, there was also strong demand for software developed by the Company to protect against viruses and data theft at ATMs.

Our **Services** business recorded an encouraging level of growth in the Banking segment, partly as a result of improved sales of Product Related Services. This growth was achieved despite the downturn in Hardware sales. The main contributory factor was that in addition to existing service agreements, most of which run over several years, some systems were given an extended life, necessitating an extension to maintenance agreements. We also won a number of new customer orders, including a major project in Germany involving the installation of over 18,000 counter/checkout systems within a short period.

A large number of banks were attracted by our Managed Services – modular, flexible combinations of IT operating services – with the result that business in this area grew significantly, especially in Europe. Customers benefit from complete cost transparency and planning certainty with regard to their spending for each system. This makes it easier for many banks to outsource the complete management and operation of their self-service systems to Wincor Nixdorf. In the year under review, in addition to well-known international banks, our customer base in Germany included over 80 savings banks (Sparkassen).

Another successful component of our portfolio of Outsourcing services in the field of IT operations was "Self-Service Channel Management", which attracted orders from banks in a number of European countries. This involves Wincor Nixdorf taking over responsibility for the operation and management of the self-service infrastructure and applications software as well as management of the entire cash cycle as part of a multi-year project. The expected cost savings are contractually fixed and regularly monitored. In Germany, acting through the joint venture companies Wincor Nixdorf Portavis GmbH and Prosystems IT GmbH, in which we hold majority shares, we have taken over operation of the centralized and decentralized IT infrastructure for banks within the Sparkassen Financial Group – from networks and IT workstations through to telecommunications systems.

With links to our Software portfolio, Professional Services performed very well, and we went ahead with the scheduled expansion of our resources. At the same time, in Germany we realigned the existing consulting and integration business led by Wincor Nixdorf Banking Consulting GmbH. Results from our specialist banking consultancy arm, Bankberatung Organisations- und IT-Beratung für Banken AG, in which we hold a majority interest, remained stable.

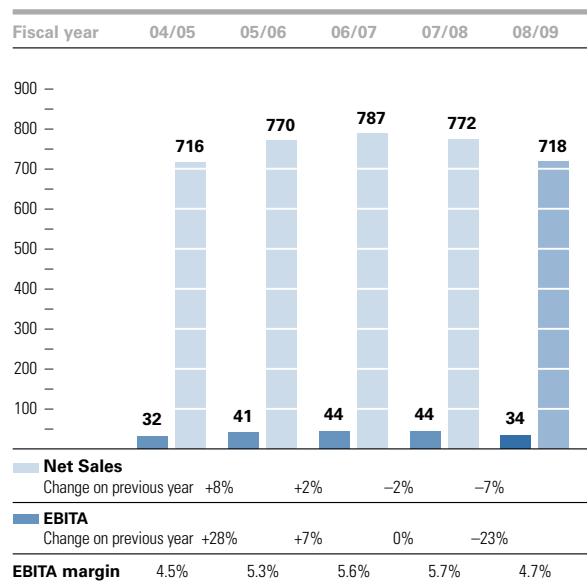
RETAIL SEGMENT.

Net sales in the Retail segment reached €718 million, down 7% on the previous year (2007/2008: €772 million). EBITA fell 23% to €34 million (2007/2008: €44 million), with a corresponding decline in the EBITA margin to 4.7% (2007/2008: 5.7%).

Hardware sales in the Retail segment suffered from the global downturn in demand for EPOS systems. Unfortunately, as this area accounts for a substantial proportion of overall sales in the Retail segment, it was not possible to make up for this slide despite achieving success in other areas such as our high-end business in self-service and automation solutions or the software and professional services business.

Net Sales and EBITA History: Retail.

€m



During the year under review, the main business and development news in the Retail segment was as follows:

“Greener”, More Efficient EPOS systems. During the reporting year, Wincor Nixdorf made further technical improvements to its portfolio to include new types of system that meet the increased demands of our retail customers for

a combination of greater efficiency and lower environmental impact. Using cutting-edge processor technology, we produced the first ever systems that require much less energy and generate less heat. These new systems can also be configured with a solid state disk instead of a hard disk. A solid state disk is a storage medium. It works in a comparable way to a conventional magnetic hard disk but has no mechanical components and is therefore more robust. In turn, this reduces operating costs by a significant margin and increases system availability rates. Another example is our checkout systems, which have been equipped for the first time with new Intel Active Management Technology (AMT). AMT improves remote diagnosis and online fault resolution as well as allowing access to systems that have been switched off or blocked. This leads to a major reduction in downtime and in the frequency with which technical staff need to be deployed on site.

Automated Checkout – Different Scenarios. During the year under review, there was a marked increase in the number of invitations to tender for automated self-checkout solutions, especially in Europe. An increasing number of test installations also moved forward into larger-scale rollouts.

Wincor Nixdorf came out on top in a number of large-scale international invitations to tender, allowing it to expand its already strong position in the European market. In collaboration with our customers, we implemented tailored checkout solutions at retail branch outlets in over 30 projects and more than 20 countries. The systems were configured individually to take account of different payment methods, size of shopping basket and customer frequency. By way of example, in one project for a large international furnishing company, Wincor Nixdorf converted half of the traditional checkouts to self-checkout systems.

Optimizing Branch Cash Processes. In the year under review, we made further targeted improvements to our retail cash management portfolio, the aim of which is to optimize cash processes wherever they occur at branch level – from the checkout to crediting the account of the retailer. Thanks to cash management solutions for the checkout, staff are no longer required to perform routine tasks and retailers can cut their substantial process costs. Our solutions also minimize inventory differences by protecting against incorrect payments in and out. They also provide efficient protection against theft, robbery and fraud. There was particular demand from larger retail environments for automated solutions in the cash office that consolidate cash receipts in a central system (cash point): this removes the need for time-consuming counting and consolidation of cash holdings.

Further Improvements to Software Portfolio for International Retail Groups. Fiscal 2008/2009 saw the renewed expansion of our software portfolio, designed to control and manage processes at branch level, the aim being to focus even more closely on the challenges facing international retailers. We added a number of functions to our TP Application Suite, including a component designed to personalize contact with customers and win their loyalty. Retailers are given an overview of the structure and purchasing behavior of their customers through the use of loyalty cards and bonus points and a variety of segmenting and evaluation mechanisms. At branch level, an ERP component was upgraded to provide continuous, up-to-date information on stock levels at all branches. There was particular demand in the reporting year from international fashion groups.

Outstanding Portfolio for Service Station Operators. During the year under review, we expanded our range of solutions aimed at the operators of service station networks. As a result, we were able to win several new customers in the form of international petroleum groups.

Professional Services for Tailored Customer Solutions. With a particular focus on tailoring checkout solutions to individual customers, the approach adopted by Wincor Nixdorf takes into account the entire process chain and specific features of each branch to develop and implement the most appropriate solutions. Following the expansion of these combined "Professional Services" in the year under review, our portfolio now ranges from process and IT consulting and the implementation and integration of solutions into the customer's IT landscape to software application control. We provide ongoing support to international customers from over thirty competence centers.

Regional Performance. In **Germany**, we achieved modest growth despite the difficult market situation and can report an encouraging level of success in a number of areas, including reverse vending systems and automated checkouts.

Net sales in **Europe** fell sharply on account of the crisis-related downturn in investment activity by retailers. Particularly hard hit was our sluggish EPOS business, with a good deal of replacement investment in particular being postponed. By contrast, our automated checkout solutions business delivered some positive results, especially in Western Europe, and we succeeded in entering the market in other European countries such as Lithuania and Latvia. Sales of our automated cash processing solutions were equally positive, e.g., in Sweden, Belgium and Norway. In Eastern Europe, where the impact of the economic crisis was particularly severe, investment by retailers collapsed, strongly undermining our EPOS business. Unlike in other regions, very little could be done here to make up for this downturn through sales of new automated solutions.

EPOS sales were also down in the **Asia/Pacific/Africa** region, although here we nevertheless recorded a pleasing increase in revenue. Software/Professional Services performed particularly well in China and India.

Overall, our Retail business in the **Americas** was down. We improved our position in the Canadian market by means of an acquisition involving the takeover of a majority share in Connections Canada Inc. (CCi), which specializes in information technology for retail firms.

Performance by Business Stream. Net sales in the **Hardware** business ended the year lower. One reason here was a significant fall in orders for EPOS systems, reflecting a slide in the market as a whole with customers often delaying new and replacement investment in view of the economic crisis. In addition, sales volume was under pressure from the decline in prices caused by excess supply in the market.

On the other hand, sales of high-end retail systems were excellent, with the self-service and automated checkout business even recording a substantial increase on the previous year.

Wincor Nixdorf also managed to exploit further potential at an international level with specific solutions for individual retail sectors, e.g., electronic goods chains and DIY stores. The key to our success lies in concentrating on the needs of consumers when designing an extremely wide range of solutions for different retail formats from discounters to specialist outlets. These solutions range from express checkouts for small-scale purchases to self-service terminals for larger purchases, from mobile product scanning to systems involving physically separate scan and payment procedures. Dedicated solutions, e.g., for handling bulky or heavy items, are also available.

Again in the high-end area, sales of reverse vending systems were also very good. Wincor Nixdorf won over half the orders for which tenders had been invited in Germany, and we also significantly improved our market position in other countries. Thanks to our broadly based portfolio of automated solutions, we are well placed to benefit from growing worldwide demand for systems of this kind.

There was considerable market interest, too, in our retail cash management systems. This was led by growing demand for our technology, which enhances the efficiency and security of cash management between the branch checkout and the retailer's cash office. In the year under review, we therefore drove ahead with developments in this field in order to improve our already strong market position. By way of example, as part of a project for the German branches of an international service station chain and in partnership with a bank, we presented a system that combines the checkout function with an option to withdraw cash.

Sales of **Software/Services** in the Retail segment showed a slight fall in the year under review.

The main focus here lies on the development and provision of **software** and services for all the procedures and processes that make up or are related to retail branch operations. In most cases, this includes a link to Professional Services such as consulting or the modification of software to meet a company's specific requirements. Drawing on the abilities of our subsidiary Wincor Nixdorf Retail Consulting GmbH, we succeeded in further cementing our key strengths centered around the introduction of SAP software for retailers.

Wincor Nixdorf's development activities focused mainly on our TP Application Suite software platform, which allows retail groups to use the same software at all their branches throughout the world. The demands made of this software, which controls the full range of retail-specific processes, are becoming increasingly complex – from managing bonus programs and the use of touchscreens through to the integration of modern services such as self-scanning and self-checkout. Another important requirement is that the branch's software can be integrated into central systems.

Our Namos software aimed at international service station network operators was also thoroughly updated to meet customer requirements, with features including pump and car wash control at individual stations, the initial processing and evaluation of all data for the head office, as well as manage-

ment and accounting for service stations and convenience branches including decentralized and centralized ERP data. Thanks to its open, multi-layered architecture, the software can be used in a global network regardless of the business model and also allows the fast and problem-free integration of new functions.

The **Services** business recorded a slight fall.

We extended the network of service specialists for international retail groups that we had built up in previous years. As a result, we won a number of new international customers for our Product Related Services. We also introduced our portfolio of standardized, fixed-price services into other countries. In Germany, following sales of our reverse vending systems, we signed multi-year service agreements to provide ongoing support.

Results from Managed Services remained positive, thanks, for example, to the above-mentioned project with a major international service station chain and its banking partner in Germany. Alongside other functions, our software controls the processing and onward transmission of service station payment data and of the data used for the processing of disbursements. We also generate information about cash levels and cash movements for the bank. This data can then be used to optimize secure cash transports.

We attracted new customers in several countries such as China with our dedicated service concepts for international retail chains that wish to expand their branch network worldwide ("New Store Opening"). Introduced with considerable success the previous year, our service involves providing support for the opening of new branch outlets. In many cases, we support these customers in their domestic markets and help them to expand internationally. Depending on the structure of each contract, Wincor Nixdorf can take over all the tasks involved in opening a new branch – from the installation of POS systems and control of the sub-contractors helping to prepare the new sales premises to operation of the IT infrastructure.

ACQUISITIONS AND NEW COMPANIES.

We continued to expand globally in the period under review, both through corporate acquisitions and newly established companies. In Canada, we acquired Connections Canada Inc. (CCi), an enterprise specializing in information technology tailored to the requirements of the retail industry. In the Philippines, we completed the acquisition of a business unit previously owned by Siemens Inc., thereby further strengthening our presence in the Asia-Pacific region. This unit operates in the areas of Banking and Retail.

Alongside the above-mentioned acquisitions, we established a number of separate subsidiaries over the course of the fiscal year just ended. A case in point is our newly incorporated company in Australia, focusing mainly on business within the Banking segment. In establishing a new enterprise in Ukraine, we have paved the way for enhanced sales activities in Eastern Europe.

All changes affecting the composition of the consolidated Group are explained in the notes to the Group financial statements under the section "Consolidation Group".

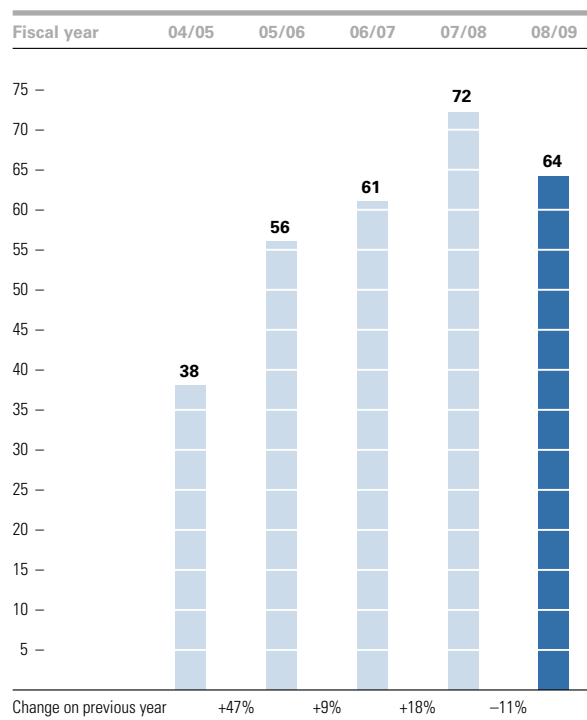
CAPITAL EXPENDITURES.

In the year under review, Wincor Nixdorf adjusted its level of capital expenditure in line with the performance of the business. We invested in capital projects to increase capacity, streamline Company processes (and therefore boost productivity), promote innovation and enhance the quality of our hardware, software and services.

In fiscal 2008/2009, we invested €64 million (2007/2008: €72 million) primarily in software and data processing systems, specialist tools and production facilities, other fixed assets, office equipment and reworkable service parts. The 11% decline in investment was mainly achieved by a normalized spending on the outsourcing business in Germany, although this area nevertheless attracted €13 million and remained a key focus of our investment activity.

Capital Investment History.

€m



PERFORMANCE, FINANCIAL POSITION AND ASSETS.

Performance. In the year under review, Wincor Nixdorf's profit for the period fell 10% to €114 million (2007/2008: €127 million).

Reconciliation of Result from Business Operations (EBITDA).

	€m	
	2008/2009	2007/2008
Profit for the period	114	127
+ Income taxes	49	54
+ Financial result	11	13
+ Amortization of product know-how (exceptional item)	5	12
EBITA before amortization of product know-how	179	206
+ Amortization/depreciation of tangible fixed assets and licenses	50	46
+ Write-down of reworkable service parts	6	8
EBITDA before amortization of product know-how	235	260

Net sales ended fiscal 2008/2009 down 3% at €2,250 million (2007/2008: €2,319 million). While the Banking segment almost reached the level achieved in the preceding year, the Retail segment suffered a marked downturn.

The gross margin on net sales before exceptional items resulting from the amortization of product know-how fell to 25.9% (2007/2008: 27.4%) on account of severe pressure on our profit margin.

Despite considerable pressure exerted on costs, we again invested in research and development activities, which we regard as vital to our future. Total expenses in this area were €103 million (2007/2008: €105 million). The R&D ratio rose slightly to 4.6% (2007/2008: 4.5%).

Thanks predominantly to strict cost management as part of our "Prolmprove" profitability program, the ratio of selling, general and administration expenses to net sales fell by 0.7 percentage points to 13.3% (2007/2008: 14.0%). Selling, general and administration expenses, including other operating income and expenses, were down €25 million to €300 million (2007/2008: €325 million), equivalent to a saving of 8%.

Despite this positive development in selling, general and administration expenses, EBITA ended the fiscal year down €27 million, or 13%, at €179 million (2007/2008: €206 million). Accordingly, the EBITA margin fell 0.9 percentage points to 8.0% (2007/2008: 8.9%).

EBITDA was also hit by the downturn and ended the reporting year €25 million, or 10%, lower at €235 million (2007/2008: €260 million). The EBITDA margin was down 0.8 percentage points at 10.4% (2007/2008: 11.2%).

Financial Position. Cash flow from operating activities declined 10% to €177 million, down €19 million on the previous year's figure of €196 million. This was largely due to a decrease in EBITDA of 10% to €235 million (2007/2008: €260 million). Interest payments of €9 million (2007/2008: €13 million) led to a lower level of cash outflows, while tax payments of €65 million were much higher than in the previous year (2007/2008: €56 million) due to higher tax prepayments. A substantial fall in working capital – primarily due to the lower level of receivables – produced cash inflows of €49 million (2007/2008: €3 million). On the other hand, the rise in other assets and liabilities and a reduction in accruals generated cash outflows of €36 million (2007/2008: cash inflows of €4 million).

	€m	
	2008/2009	2007/2008
Cash flow.		
EBITDA	235	260
Cash flow from operating activities	177	196
Cash flow from investment activities	-67	-72
Cash flow from financing activities	-101	-116
= Change in liquidity	9	8
Cash and cash equivalents at the beginning of the period	-3	-11
Cash and cash equivalents at the end of the period	6	-3

Cash outflows from investing activities were down 7% to €67 million (2007/2008: €72 million). Cash outflow for investments in intangible assets and property, plant and equipment was €52 million (2007/2008: €67 million). As in previous years, the main focus of this investment activity was on other fixed assets and office equipment and on the Outsourcing business. With regard to acquisitions, net spending on the expansion and strengthening of the business came to €8 million (2007/2008: €2 million). At the beginning of the fiscal year we paid the agreed purchase price of €5 million for the share in Bankberatung Organisations- und IT-Beratung für Banken AG that we had acquired in fiscal 2007/2008. We also expanded our business in North America by purchasing a 100% stake in Connections Canada Inc. (CCI). At the same time, we took over a business unit from Siemens in the Philippines in order to reinforce our presence in the Asia/Pacific/Africa region.

Cash flow from financing activities produced an outflow of €101 million (2007/2008: €116 million). One major item here was the dividend of €67 million (2007/2008: €88 million including an extra dividend) paid out to shareholders. We

spent a net €33 million on loan repayments, whereas in the previous year we had increased our borrowings by €16 million. No payments were made in the reporting year for the repurchase of our own shares (treasury shares). By contrast, in fiscal 2007/2008 our purchase of €43 million of treasury shares was another major factor in the outflow of cash from financing activities.

Free cash flow (cash flow from operating activities less capital expenditure on intangible assets, property, plant and equipment and reworkable service parts) fell by just 6% to €116 million (2007/2008: €124 million).

The Group's net debt (bank liabilities less cash and cash equivalents) decreased significantly by 23% to €150 million (2007/2008: €194 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 well-known lenders, our creditworthiness is classed as good.

Assets. Compared to the previous year, the balance sheet total was down €75 million, or 6%, to €1,199 million (2007/2008: €1,274 million). On the asset side, this decrease was almost entirely due to lower figures for inventories and for current receivables and other assets. On the liabilities side, the main changes were a fall in current other accruals and other current liabilities and a rise in equity.

Assets.	€m	
	Sept.30,2009	Sept.30,2008
Assets		
Intangible assets	358	363
Tangible assets and financial assets	147	144
Non-current receivables and other assets	51	45
Non-current assets	556	552
Inventories	254	278
Current receivables and other assets	373	428
Cash and cash equivalents	16	16
Current assets	643	722
Total assets	1,199	1,274
Equity and Liabilities		
Equity (incl. minority interest)	330	276
Pension accruals and other accruals	56	51
Financial liabilities	155	186
Other liabilities	23	3
Non-current liabilities	234	240
Other accruals	139	171
Trade payables	257	271
Other current liabilities	239	316
Current liabilities	635	758
Total equity and liabilities	1,199	1,274

The figure for intangible assets was almost unchanged year on year, with a carrying amount of €358 million (2007/2008: €363 million). Amortization of product know-how of €5 million (2007/2008: €12 million) and amortization of commercial patents and licenses of €12 million (2007/2008: €10 million) were partly compensated for by investment in software, especially for Outsourcing projects, in the amount of €11 million (2007/2008: €6 million).

The carrying amount of property, plant and equipment was up €3 million on the previous year at €146 million (2007/2008: €143 million). Capital expenditure on property, plant and equipment amounted to €44 million (2007/2008: €60 million). The principal investments made here were in IT equipment,

specialist tools and plant and machinery. Depreciation in the year under review amounted to €38 million (2007/2008: €36 million).

Compared to the previous year, there was a rise of €6 million to €51 million in non-current receivables and other assets (2007/2008: €45 million). Within this item, reworkable service parts were €5 million higher at €19 million (2007/2008: €14 million), while other assets ended the fiscal year €3 million lower at €6 million (2007/2008: €9 million), primarily on account of the lower surplus of plan assets over pension obligations.

Inventories declined by €24 million to €254 million (2007/2008: €278 million). At the same time, current trade receivables fell €51 million to €312 million (2007/2008: €363 million). This decline was mainly caused by the downturn in business in the second half of fiscal 2008/2009.

Current bank deposits were unchanged at €16 million (2007/2008: €16 million), while current bank liabilities declined by €12 million to €11 million (2007/2008: €23 million).

Equity, including minority interest, rose by a substantial amount of €54 million to €330 million (2007/2008: €276 million). The reduction caused by the payment of dividends totaling €67 million (2007/2008: €88 million) contrasts primarily with an increase of €114 million in the equity figure from profit for the period (2007/2008: €127 million). In the previous fiscal year, the repurchase of treasury shares had produced an additional decline in equity of €43 million. Equity movements are described in the table entitled "Changes in Equity."

Non-current financial liabilities were down €31 million to €155 million (2007/2008: €186 million), mainly as a result of lower borrowings from the revolving facility at the end of the reporting year. Under the terms of this 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 are subject to interest based on the EURIBOR plus a margin. The entire credit line is still available until expiry of the agreement without any obligation to make principal repayments before that time.

Current other accruals fell back by €32 million to €139 million (2007/2008: €171 million). This was mainly the result of declines in personnel accruals (down €15 million) and warranty obligations (as well down €15 million). The lower figure for personnel accruals was mostly due to falls in vacation and flexitime accruals, which are being heavily scaled back as part of our short-term cost-management program. The reduction in warranty obligations was due to lower warranty expenditure and a downturn in business in the second half of the fiscal year. From the present perspective, the recognized accruals sufficiently cover all of the Group's probable obligations.

Compared to the previous year, other current liabilities were down €77 million at €239 million (2007/2008: €316 million). This reduction was predominantly due to lower financial liabilities, a lower figure for advances received on orders from our customers and a fall in income tax liabilities and other liabilities.

The Group also has future non-balance sheet liabilities in relation to tenancies, leasing agreements, long-term purchase contracts and purchase commitments totaling €119 million (2007/2008: €108 million).

Overall Assessment of Economic Position. At the start of fiscal 2009/2010, Wincor Nixdorf cannot as yet see any fundamental improvement in the overall situation as it affects the market for IT solutions in retail banking and the retail industry. It is our view that the reluctance of many companies to invest will at first ease gradually depending on macroeconomic developments.

At the date of preparation of this management report, it is not possible to say with complete certainty whether and to what extent the continuing economic crisis will ease in 2010. Overall, however, Wincor Nixdorf has begun the new fiscal year 2009/2010 on a stable footing with reduced debt, a higher equity ratio and an undiminished capacity for innovation based on successful cost management. The first quarter

is likely to produce a year-on-year decline in net sales given the excellent results we obtained in the first quarter of the preceding year and an economic situation that remains very difficult. It is hard to say what lies further ahead, although a somewhat clearer view should emerge, albeit slowly, over subsequent quarters. With economists predicting a slow and unsteady recovery in the wider economy, we anticipate further declines in net sales and our operating result (EBITA) in fiscal 2009/2010, although no greater than those of the last fiscal year.

RESEARCH AND DEVELOPMENT.

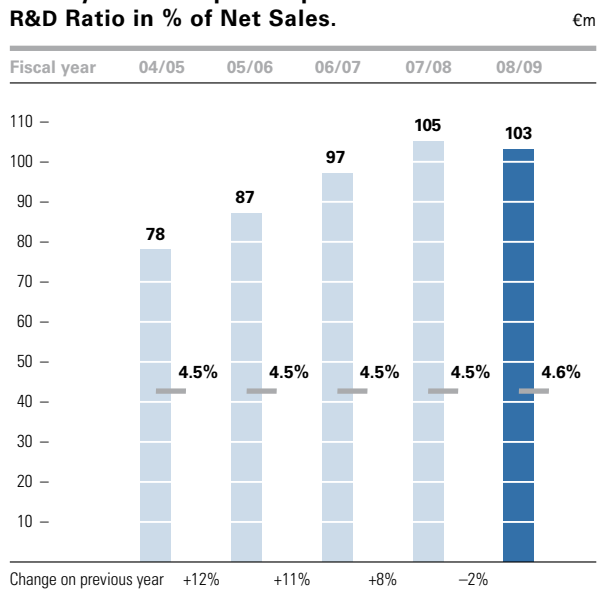
It is our firm belief that we must continue to proactively develop our portfolio of services if we are to maintain and extend our current leading market position as an innovator with regard to the full range of processes that characterize the branch operations of retail banks and retailers. By developing new and extended functions, we also help our customers to remain competitive. In fiscal 2008/2009, the Group's global spending on research and development was 2% lower at €103 million (2007/2008: €105 million). The R&D ratio rose 0.1 percentage points to 4.6% compared to last year's figure of 4.5%.

The importance we attach to research and development is reflected in the structure of our workforce. The Group's total R&D headcount on the reporting date was 956 (2007/2008: 945), equivalent to 10% of the entire workforce. They can be found at our development centers in Germany, Switzerland, Slovakia, Brazil, Singapore and China. In Asia, we have pooled our research and development capacity at our sites in Shanghai and Singapore. In the last 12 months, our developers have pushed ahead with a host of innovations, with the result that we were able to submit 83 new patent applications across the world (2007/2008: 94). The total number of active patent rights was 1,103 (2007/2008: 1,045).

Main Focus of R&D Activities. During the reporting year, the main focus of our R&D activities again lay on the following three areas:

- software as the key to optimizing the overall branch process chains of retail banks and retailers
- the development of convergent base technologies for our core business activities in retail banking, the retail industry and in related areas of business
- improvements to the serviceability of our hardware and software with a view to reducing the cost to customers of operating our solutions

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



We considerably extended our **Software** portfolio for banks and retailers. Two particularly important developments in this area were the addition of new software functions to our PC/E Suite, making it possible, for example, to complete banking transactions by cellphone, and a new application that allows users to make person-to-person payments, i.e., cash transfers to others. These features mean that a bank's customers can now initiate cash payments to a beneficiary using a range of sales channels. The transaction is authorized by means of two number codes at the ATM, one of which is sent to the cellphone. With a view to reproducing the banks' internet portals and services on the cellphone, we integrated technical components provided by a partner firm into our own software portfolio. Banks can use it to set up a mobile sales channel without an additional redundant infrastructure, while providing familiar internet banking services and a high level of security to mobile devices. This innovation allows us to add mobile services to the range of sales channels we support for retail banks.

Wincor Nixdorf's new software supports the efforts of banks to intensify contact with their customers via self-service systems and to use ATMs as a sales channel. These applications make it possible for them to target advertising messages or additional, attractive offers at self-service terminals, such as ticket sales and a facility for recharging prepaid cellphone cards. In collaboration with international banks, we developed our net-centric software platform by adding new applications that control branch and counter processes. However, developments to our software platform go beyond sales channel applications. Our aim is to further develop the value chain. To this end, we have added a payment solution that takes over the processing of card-based payments.

With regard to software for the retail industry, we extended the functionality of our TP Application Suite software platform to include several new components. There is now a dedicated software module that can personalize the design and control of customer loyalty programs. This module facilitates the implementation of individual bonus programs and

customer services at the branch, manages tailored sales campaigns and simplifies the administration of customer cards and accounts. Considerably improved and extended diagnostic and monitoring tools also facilitate the central management and control of a retail organization's entire branch landscape. As part of the branch solution element of our retail portfolio, we developed an ERP component that performs the key inventory-related tasks at branch level. Following the certification of our interface to SAP NetWeaver, we now meet an important requirement of many leading retailers.

The Same Innovative Base Technologies are used by both banks and retailers. In the year under review, for example, we made further advances in the automation and shortening of cash-handling processes in both industries. Together with a bank and an international service station company, for example, we developed a business model that allows the partner bank to make cash received immediately available for disbursement. We also developed new and upgraded hardware and software and created new service models.

Our solutions for both retailers and banks take account of the requirements of the payment card industry (PCI). The standards laid down by the PCI concern issues such as access rights to customer data and the encryption of data transmitted in the course of non-cash payment transactions. As a member of the PCI Council, we ensure that these standards are implemented promptly.

Related image-recognition technologies are now being employed in systems operated by both retail banks and retailers. The know-how we have acquired in this field can be applied to ATMs equipped with an Intelligent Deposit Module (CCDM) and to self-checkout systems. We improved the processing speed and stability of the CCDM module, which allows customers to enter a mixture of checks and banknotes, giving us a further competitive advantage. In the field of self-

checkout systems, we collaborated with a number of research institutes to develop image recognition procedures that can identify individual items.

Maintenance-friendly Products and Solutions

continued to be in the focus. By developing uniform software drivers for all the devices in our portfolio, we can increase the range of diagnostic options and simplify product maintenance. We also improved our diagrammatic fault resolution procedure as a means of further reducing operating costs for our systems.

With regard to security, the main aim was to expand our portfolio. We now offer new Professional Services components that allow banking customers to protect all their branch processes. We also made further developments to the technology we use to prevent the attempted manipulation of systems.

We introduced a modernized product range to supplement our ProCash ATM family and set up a new development unit to support the growing market for mobile devices, which allow shoppers to scan items themselves in the branch. The use of hand-held scanners, also known as mobile devices, shortens waiting times at the checkout, which then merely reads the total price and handles payment.

We made ongoing improvements to the functionality of the modular self-checkout systems we had previously supplied in several major projects. Two such improvements are our touchless "near field" payment systems and "RFID" recognition systems. For our service station customers we developed a second outdoor payment terminal with an extremely compact design and an impressive benefit-cost ratio. Following an extended introductory phase, the market for electronic shelf labels is now growing at an encouraging rate. In response, we have been working with a partner on a new generation of these electronic labels incorporating a graphical display.

PURCHASING, PRODUCTION AND LOGISTICS.

Further Improvements to Processes in Difficult Market Environment. With the Company facing a downturn in business during the year under review, we prioritized a wide range of measures to reduce costs and further improve the processes that make up our purchasing, production and logistics structure.

We made substantial savings in **Purchasing** costs by improving and standardizing our selection and price-fixing processes in collaboration with Strategic Purchasing and introducing them across the Group. Wherever possible, purchase volumes are pooled to take advantage of lower prices, e.g., in the areas of information technology, office materials for internal use and the services we buy in from outside partners. We also intensified our collaboration with existing contractual suppliers. One of our long-term goals remains that of forming strategic partnerships with the world's best-performing suppliers. Naturally, we expect all our international suppliers to meet strict quality standards.

Wincor Nixdorf's **Production and Logistics** structures faced some very tough challenges in the reporting year. With the hardware market contracting, we had to be particularly flexible over production capacity in order to cover our costs. To this end, we cut a number of bought-in services, scaled back accrued vacation and time off from the previous year and reduced staffing levels at all our production sites.

We continued to implement the strategic measures initiated in previous years to boost productivity in our production network:

Based on our production strategy "local for local", i.e., decentralized production in proximity to the customer in order to supply local markets, the majority of orders for the Asian market were manufactured at our production sites in Singapore and Shanghai. ATMs are now produced in China in order to benefit from lower costs and greater proximity to our markets. Our other production sites are in Paderborn and Ilmenau (Germany) and São Paulo (Brazil).

The introduction of standardized logistics and production processes at all our sites, supported by the establishment of an international team of experts, allowed us to make significant improvements to process costs and process quality. The planned introduction of process-related personnel indicators will allow transparent benchmarking and help us to respond even faster to changing market conditions.

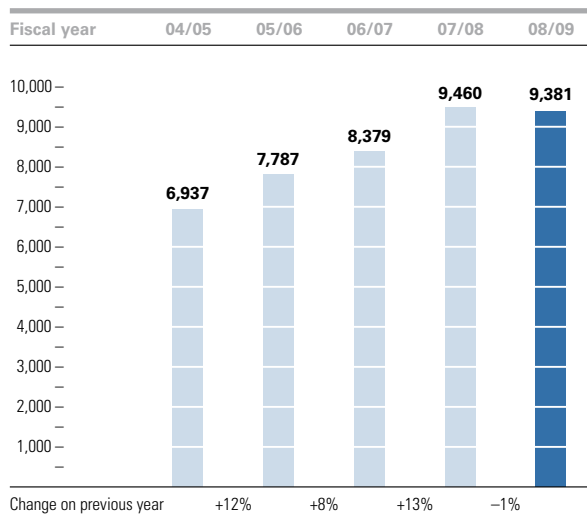
In this context, we conducted permanent "make or buy" assessments of service parameters at each production site to support decisions on the further integration of production and logistics service providers into the Wincor Nixdorf supply chain. This allows us to be more flexible while improving our cost position.

EMPLOYEES.

Throughout the world it is people who keep things moving, push forward development and shape both companies and markets. At Wincor Nixdorf, over 9,000 employees in more than 40 countries rise to this challenge with each new day. It is their performance that helps our global customers to restructure their branch processes and increase their efficiency. Thanks to a collaboration that spans individual business units and countries, we have created a vibrant global network with a single aim – that of optimizing our customers' processes in order to enhance their satisfaction as well as that of their own customers.

Headcount Down From Previous Years. Despite our confident assessment of business prospects at the beginning of the reporting year, we took steps in case of a deterioration. Therefore, as regards strategically important growth areas such as Professional Services, the decision was taken to recruit additional staff, and, where required, to appoint new candidates to specific positions. Together with the cost-reduction measures initiated in response to the economic and financial crisis, this led overall to a fall in the headcount.

Development of Headcount.



At the end of the reporting year on September 30, 2009, the global headcount was down 9,381 on the previous year at 79 (2007/2008: 9,460). This change is based on a loss of 165 employees and the addition of 86 employees as a result of acquisitions.

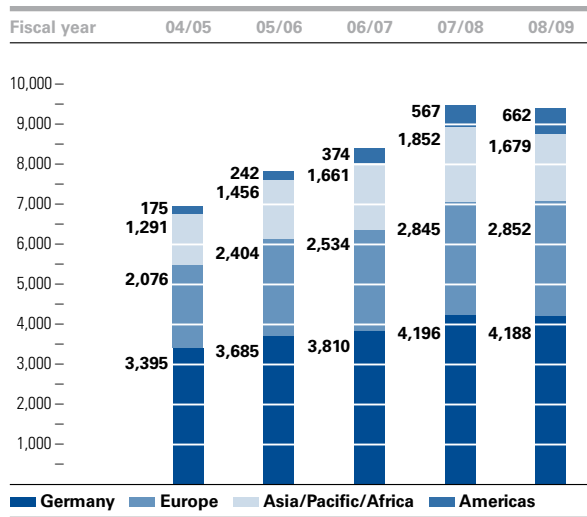
The lower headcount in the Asia/Pacific region was primarily a result of adjustments to production capacity in China and Singapore. By contrast, as part of our strategy of internationalization, we expanded our resources in the fast-growing Americas market. Our acquisition of a majority share in Connections Canada Inc. (CCi), for example, which specializes in information technology for retailers, allowed us to extend sales of our retail portfolio to the Canadian market. We also expanded our global network of service resources. Only a few selected appointments were made in Research and Development and in Sales.

In total, the Group's headcount outside Germany fell by 71 to 5,193 (2007/2008: 5,264). The headcount in Germany was largely unchanged on the previous year at 4,188 (2007/2008: 4,196).

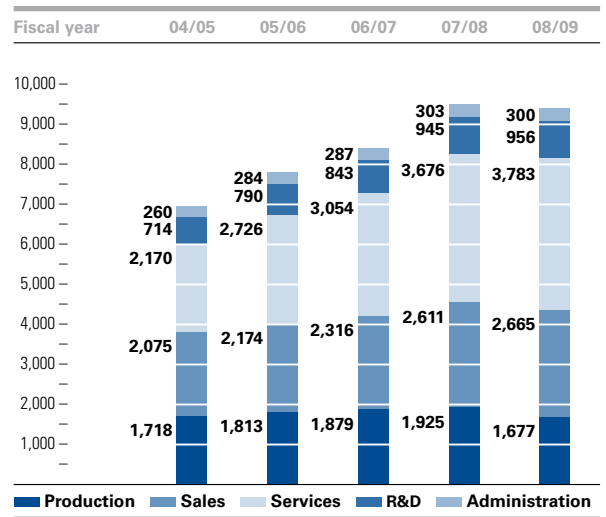
New Training Opportunities. Even top specialists can always learn something new, and in fiscal 2008/2009 Wincor Nixdorf again expanded the range of training opportunities on offer to all employees with a focus on hardware and software, sales, management and soft skills.

Focus on International Project Management. During the year under review, in response to market demand for increasingly large and complex projects with an international dimension, Wincor Nixdorf began to devote greater attention to the area of project management. Through the establishment of thirty project management offices worldwide, we have made further progress towards our goal of creating an international project management community and improved the facilities for training employees in this field. To date, over 800 employees have already been given training in standard project management methods, and we have set up an internal certification process for project managers as a means of standardizing the requirements as regards theoretical knowledge, practical experience and personal skills.

Development of Headcount by Regions.



Development of Headcount by Functions.



Staff Development Program Expanded. A rigorous and targeted approach to staff development becomes increasingly important as markets and the general economic situation change and growing internationalization presents new demands. With this in mind, during the year under review Wincor Nixdorf initiated a number of measures to expand staff development across the Group as a means of ensuring that we both strengthen existing programs and focus even more closely on our corporate goals. Our approach emphasizes the promotion of talented people from our own ranks. By offering them targeted professional development, we are contributing significantly to the success and future health of our Company. Staff development measures are geared towards employees at all levels of the Company.

To ensure they have a lasting impact, our programs are systematically structured. To begin with, the aim is to promote international staff development in key areas. One focus lies on our newly designed leadership training courses, which aim primarily to boost individual initiative, motivation and creativ-

ity. During the reporting year, we successfully launched new training programs aimed at staff in different positions and at different levels. As the next step, these will be rolled out internationally.

At the same time, we continued to standardize the processes by which we select and develop talented people for international tasks. Suitable candidates are identified and then given individual training support in the form of specific measures and tools. At our new Assessment Center, specially designed to meet the requirements of Wincor Nixdorf, the initial aim is to identify individual skill areas with the potential for development. An individual professional development plan is then drawn up on the basis of these requirements.

Compliance. Wincor Nixdorf extended the depth and scope of its global compliance program on the basis of its commitment to respect legal, social and ethical standards.

OUTLOOK.

Looking ahead at possible developments in the wider economy in 2010, Wincor Nixdorf still sees many uncertainties. Unlike at the beginning of the fiscal year under review, the global economy is now on the path to recovery, although as yet the gradual increase in global output forecast by economists appears neither universal nor particularly steady.

Future Economic Situation.

After the Downturn: Global Economy Yet to Regain Consistent Footing. In fall 2009, the sharp decline in the global economy that has marked the previous months seems to have come to a halt, at least for the moment. In its "World Economic Outlook", the International Monetary Fund (IMF) points to signs of renewed growth at global level. The key factors here, it believes, are economic growth in Asia and the fact that most countries benefited from a more stable performance.

According to the experts, one of the main reasons for this improvement is the large-scale availability of government aid in many countries around the world. However, the IMF's assessment also contains elements of uncertainty. It is difficult, for example, to predict the future direction of economic development without the supporting effects of government programs.

For Germany, the IMF anticipates only a modest improvement of 0.3% in gross domestic product (GDP) in 2010, after the sharp fall of 5.3% in the previous year. Europe is also likely to experience a comparably sluggish recovery, with GDP in the eurozone growing by just 0.3% compared to the 4.2% downturn of the last year. The IMF identifies increasing signs of stabilization in the U.S. economy, although there remains a risk of a further downturn. For 2010, the IMF expects the U.S. economy to grow by 1.5% following its previous 2.7% slide. The IMF's forecast for Japan is 1.7%, while it believes the global economy will expand by 3.1% in 2010.

Once again, the main drivers of this growth will be the emerging markets, which the IMF expects will expand by 5.1%, led by China (9%), India (6.4%) and Brazil (3.5%).

The Global Market for IT solutions in Retail Banking and the Retail Industry can, in our view, recover only when there is a sustained improvement in the wider economy. In the short term, however, we do not yet anticipate a return to the growth rates of previous years. Nevertheless, we do expect investment in the optimization of processes and customer service to continue unabated, especially in the high-end area. In view of tough competition and tight budgets, cost-benefit considerations above all are likely to play an even greater role. Against this background, we believe that comprehensive IT solutions comprising hardware, software, services and professional services will be increasingly important. In principle, we anticipate a continuation of the heavily differentiated investment behavior of the recent past that is difficult for us to predict. Some investment decisions are now linked more directly to the financial strength and business models of individual companies and cannot be inferred to the same extent from GDP performance in different countries.

Notwithstanding this short-term development caused by changes in the economy as a whole, the long-term trends in both retail banking and the retail industry are unchanged. Given the tough competition they face, both industries have no choice but to continuously review and optimize their customer-related business processes as well as their products. In doing so, they will keep turning to information technology as a source of innovations that allow them to achieve efficiency gains and improve the service they offer to their customers. In the medium term, this will lead to a recovery in this field of business, especially for complete IT solutions, with IT Services playing an important role here. According to a survey conducted by American market research firm Gartner, the global market in IT services should see a return to growth in 2010. Looking forward up to 2013, Gartner predicts continuous spending increases in this area and annual growth of between 4 and 6% (Gartner, IT Spending Forecast; 2Q 2009 update, June 2009).

Overall Assessment of Future Economic Situation. At the start of fiscal 2009/2010, Wincor Nixdorf cannot as yet see any fundamental improvement in the overall situation as it affects the market for IT solutions in retail banking and the retail industry. It is our view that the reluctance of many companies to invest will at first ease gradually depending on macroeconomic developments. Over the long term, however, the trends in both industries will be maintained, with the constant pressure to enhance competitiveness and seize new business opportunities leading to continued investment in information technology in line with the financial strength of each company.

Future Outlook for the Wincor Nixdorf Group.

Wincor Nixdorf will continue to focus on its established business with retail banks and retailers and to pursue its successful business strategy. In order to exploit potential growth and achieve a stable level of business, we make use of four strategic levers: continued global expansion, innovation, high-end services and the expansion/transfer of our branch and self-service know-how to other applications.

Wincor Nixdorf has used the global crisis of the last fiscal year as an opportunity to thoroughly review its processes and structures, including those that have so far proven successful, and to improve them with an eye to the future. As part of the ProFuture program launched in summer 2009, we developed a series of improvement measures for the entire Group to help us respond to changes in the market situation. These steps are intended to have both a permanent impact as well as producing more immediate results in terms of our market presence, strength, growth, speed and efficiency. At the same time, in addition to existing cost-reduction programs, we are improving our ability to counteract future pressure on prices and profit margins. The process of implementing the changes identified by the ProFuture program throughout the Group began at the start of fiscal 2009/2010.

Fiscal 2009/2010. In late fall of 2009, it is not possible to say with complete certainty whether and to what extent the continuing economic crisis will ease in 2010. Overall, however, Wincor Nixdorf has begun the new fiscal year 2009/2010 on a stable footing with reduced debt, a higher equity ratio and an undiminished capacity for innovation based on successful cost management. The first quarter is likely to produce a year-on-year decline in net sales given the excellent results we obtained in the first quarter of the preceding year and an economic situation that remains very difficult. It is hard to say what lies further ahead, although a somewhat clearer view should emerge, albeit slowly, over subsequent quarters. With economists predicting a slow and unsteady recovery in the wider economy, we anticipate further declines in net sales and our operating result (EBITA) in fiscal 2009/2010, although no greater than those of the last fiscal year.

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 2008/2009³.

	2008/2009 ¹	2007/2008 ²	Change
Net sales	2,250	2,319	-3%
Cost of sales	-1,668	-1,683	-1%
Gross profit	582	636	-8%
Gross profit as a percentage of net sales	25.9%	27.4%	-
Research & development expenses	-103	-105	-2%
R&D expenses as a percentage of net sales	4.6%	4.5%	-
Selling, general and administration expenses⁴	-300	-325	-8%
SG&A expenses as a percentage of net sales	13.3%	14.0%	-
EBITA⁵	179	206	-13%
EBITA as a percentage of net sales (EBITA margin)	8.0%	8.9%	-
Amortization/depreciation of property, plant and equipment and licenses and write-down of reworkable service parts	56	54	4%
EBITDA	235	260	-10%
EBITDA as a percentage of net sales (EBITDA margin)	10.4%	11.2%	-
Amortization of product know-how	-5	-12	7
Financial result (finance costs ./ finance income)	-11	-13	2
Profit before income taxes	163	181	-10%
Ongoing taxes on income and profit	-43	-56	13
Deferred tax income and expenses	-6	2	-8
Total income taxes	-49	-54	5
Tax rate	30%	30%	-
Profit for the period	114	127	-10%
Profit attributable to minority interest	0	0	-
Profit attributable to equity holders of Wincor Nixdorf AG	114	127	-10%
Amortization of product know-how	5	12	-7
Calculated tax effect	-2	-4	2
Profit for the period before carve-out	117	135	-13%

¹⁾ Oct. 1, 2008–Sept. 30, 2009.

²⁾ Oct. 1, 2007–Sept. 30, 2008.

³⁾ before profit charges arising from the carve-out.

⁴⁾ including other operating income and expenses.

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

GROUP BALANCE SHEET AS OF SEPTEMBER 30, 2009.

ASSETS				€m
	Sept. 30, 2009	Sept. 30, 2008	Change	
Non-current assets				
Intangible assets	358	363	-5	
Property, plant and equipment	146	143	3	
Investments	1	1	0	
Reworkable service parts	19	14	5	
Deferred tax asset	23	18	5	
Other assets	9	13	-4	
	556	552	4	
	46%	43%	-	
Current assets				
Inventories	254	278	-24	
Trade receivables	312	363	-51	
Other assets	61	65	-4	
Cash and cash equivalents	16	16	0	
	643	722	-79	
	54%	57%	-	
Total assets	1,199	1,274	-75	
EQUITY AND LIABILITIES				€m
	Sept. 30, 2009	Sept. 30, 2008	Change	
Equity	330	276	54	
	28%	22%	-	
Non-current liabilities				
Accruals for pensions and similar commitments	14	16	-2	
Other accruals	42	35	7	
Financial liabilities	155	186	-31	
Deferred tax liabilities	18	3	15	
Other liabilities	5	0	5	
	234	240	-6	
	19%	19%	-	
Current liabilities				
Other accruals	139	171	-32	
Financial liabilities	12	24	-12	
Advances received on orders	30	49	-19	
Trade payables	257	271	-14	
Current income tax liability	28	51	-23	
Other liabilities	169	192	-23	
	635	758	-123	
	53%	59%	-	
Total equity and liabilities	1,199	1,274	-75	
Working capital	202	253	-51	
Net debt	150	194	-44	

GROUP CASH FLOW STATEMENT.

	€m		
	2008/2009	2007/2008	Change
EBITA	179	206	-27
Amortization/depreciation of property rights, licenses and property, plant and equipment	50	46	4
Write-down of reworkable service parts	6	8	-2
EBITDA	235	260	-25
Interest paid	-9	-13	4
Income taxes paid	-65	-56	-9
(+/-) Working capital	49	3	46
(+/-) Other assets and other liabilities, accruals and other non-cash related items	-33	2	-35
Cash flow from operating activities	177	196	-19
Cash flow from investment activities	-67	-72	5
thereof acquisition activities	-8	-2	-6
thereof investment for reworkable service parts	-9	-5	-4
thereof investment for intangible assets and property, plant and equipment	-52	-67	15
Cash flow from financing activities	-101	-116	15
thereof net changes in financial loans	-33	16	-49
thereof repurchase of own shares	0	-43	43
thereof payments made to equity holders	-67	-88	21
Net increase/decrease in cash and cash equivalents	9	8	1
Cash and cash equivalents at beginning of period	-3	-11	8
Cash and cash equivalents at end of period	6	-3	9
Free Cash flow	116	124	-8

SEGMENT REPORT.

Segment Report by Division.

€m

	Banking	Retail	Group
Net sales to external customers	1,532 (1,547)	718 (772)	2,250 (2,319)
Operating profit (EBITA)	145 (162)	34 (44)	179 (206)
Segment assets	506 (538)	253 (288)	759 (826)
Segment liabilities	243 (252)	124 (140)	367 (392)
Investment in property rights, licenses and property, plant and equipment	48 (58)	7 (9)	55 (67)
Investment in reworkable service parts	8 (4)	1 (1)	9 (5)
Amortization/depreciation of property rights, licenses and property, plant and equipment	42 (38)	8 (8)	50 (46)
Write-down of reworkable service parts	5 (7)	1 (1)	6 (8)
Research and development expenses	70 (74)	33 (31)	103 (105)

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

Segment Report by Market Geography.

€m

	Europe	Included in Europe: Germany	Asia/ Pacific/ Africa	America	Group
Net sales to external customers	1,691 (1,803)	627 (588)	359 (329)	200 (187)	2,250 (2,319)
Segment assets	569 (634)	308 (332)	131 (143)	59 (49)	759 (826)
Investment in property rights, licenses and property, plant and equipment	51 (60)	43 (51)	3 (5)	1 (2)	55 (67)
Investment in reworkable service parts	8 (5)	8 (5)	1 (0)	0 (0)	9 (5)

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