

**NINE-MONTH INTERIM REPORT**  
**FISCAL YEAR 2005/2006**

October 1, 2005 to June 30, 2006

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

## Key Figures.

|   | 3rd quarter<br>2006 <sup>1)</sup> | 3rd quarter<br>2005 <sup>2)</sup> | Change     | 9 months<br>2005/2006 <sup>3)</sup> | 9 months<br>2004/2005 <sup>4)</sup> | Change        |
|---|-----------------------------------|-----------------------------------|------------|-------------------------------------|-------------------------------------|---------------|
| <b>Statement of Income (€ millions) <sup>5)</sup></b>   |                                   |                                   |            |                                     |                                     |               |
| <b>Net sales</b>  | <b>492</b>                        | <b>424</b>                        | <b>16%</b> | <b>1,435</b>                        | <b>1,265</b>                        | <b>13%</b>    |
| of which Banking  | 307                               | 253                               | 21%        | 874                                 | 737                                 | 19%           |
| of which Retail   | 185                               | 171                               | 8%         | 561                                 | 528                                 | 6%            |
| <b>Gross profit</b>   | <b>131</b>                        | <b>117</b>                        | <b>12%</b> | <b>398</b>                          | <b>364</b>                          | <b>9%</b>     |
| Gross profit as a percentage of net sales   | 26.6%                             | 27.6%                             | -          | 27.7%                               | 28.8%                               | -             |
| <b>Research &amp; development expenses</b>  | <b>-20</b>                        | <b>-17</b>                        | <b>18%</b> | <b>-61</b>                          | <b>-55</b>                          | <b>11%</b>    |
| R&D expenses as a percentage of net sales   | 4.1%                              | 4.0%                              | -          | 4.3%                                | 4.3%                                | -             |
| <b>Selling, general and administration expenses <sup>6)</sup></b>   | <b>-68</b>                        | <b>-64</b>                        | <b>6%</b>  | <b>-219</b>                         | <b>-210</b>                         | <b>4%</b>     |
| SG&A expenses as a percentage of net sales  | 13.8%                             | 15.1%                             | -          | 15.3%                               | 16.6%                               | -             |
| <b>EBITA <sup>7)</sup></b>  | <b>43</b>                         | <b>36</b>                         | <b>19%</b> | <b>118</b>                          | <b>99</b>                           | <b>19%</b>    |
| EBITA as a percentage of net sales  | 8.7%                              | 8.5%                              | -          | 8.2%                                | 7.8%                                | -             |
| of which Banking  | 31                                | 27                                | 15%        | 88                                  | 74                                  | 19%           |
| as a percentage of net sales Banking  | 10.1%                             | 10.7%                             | -          | 10.1%                               | 10.0%                               | -             |
| of which Retail   | 12                                | 9                                 | 33%        | 30                                  | 25                                  | 20%           |
| as a percentage of net sales Retail   | 6.5%                              | 5.3%                              | -          | 5.3%                                | 4.7%                                | -             |
| <b>Amortization/depreciation of property, plant and equipment and licenses and write-down of reworkable service parts <sup>8)</sup></b> | <b>13</b>                         | <b>8</b>                          | <b>63%</b> | <b>30</b>                           | <b>22</b>                           | <b>36%</b>    |
| <b>EBITDA</b>   | <b>56</b>                         | <b>44</b>                         | <b>27%</b> | <b>148</b>                          | <b>121</b>                          | <b>22%</b>    |
| EBITDA as a percentage of net sales   | 11.4%                             | 10.4%                             | -          | 10.3%                               | 9.6%                                | -             |
| <b>Net profit for the period</b>  | <b>22</b>                         | <b>16</b>                         | <b>38%</b> | <b>58</b>                           | <b>40</b>                           | <b>45%</b>    |
| Net profit for the period as a percentage of net sales  | 4.5%                              | 3.8%                              | -          | 4.0%                                | 3.2%                                | -             |
| <b>Net profit for the period (before carve-out)</b>   | <b>25</b>                         | <b>19</b>                         | <b>32%</b> | <b>68</b>                           | <b>52</b>                           | <b>31%</b>    |
| Net profit for the period (before carve-out) as a percentage of net sales   | 5.1%                              | 4.5%                              | -          | 4.7%                                | 4.1%                                | -             |
| <b>Cash Flow (€ millions)</b>   |                                   |                                   |            |                                     |                                     |               |
| <b>Cash flow from operating activities</b>  |                                   |                                   |            | <b>124</b>                          | <b>120</b>                          | <b>3%</b>     |
| <b>Key Balance Sheet Figures (€ millions)</b>   |                                   |                                   |            |                                     |                                     |               |
|   |                                   |                                   |            | <b>June 30, 2006</b>                | <b>Sept. 30, 2005</b>               | <b>Change</b> |
| <b>Working capital</b>  |                                   |                                   |            | <b>197</b>                          | <b>204</b>                          | <b>-7</b>     |
| as a percentage of net sales (annualized)   |                                   |                                   |            | 10.3%                               | 11.7%                               | -             |
| <b>Net debt</b>   |                                   |                                   |            | <b>184</b>                          | <b>176</b>                          | <b>8</b>      |
| <b>Equity <sup>9)</sup></b>   |                                   |                                   |            | <b>249</b>                          | <b>228</b>                          | <b>21</b>     |
| <b>Human Resources</b>  |                                   |                                   |            |                                     |                                     |               |
| <b>Number of employees</b>  |                                   |                                   |            | <b>7,568</b>                        | <b>6,937</b>                        | <b>631</b>    |

<sup>1)</sup> April 1, 2006 – June 30, 2006<sup>2)</sup> April 1, 2005 – June 30, 2005<sup>3)</sup> October 1, 2005 – June 30, 2006<sup>4)</sup> October 1, 2004 – June 30, 2005<sup>5)</sup> before profit charges arising from carve-out<sup>6)</sup> including other income and expenses and investment result<sup>7)</sup> net profit on operating activities before interest, taxes and amortization of product know-how<sup>8)</sup> The previous year's figures contain no write-down of reworkable service parts.<sup>9)</sup> excluding minority interest

## BUSINESS PERFORMANCE

### Highly successful first three quarters

**Net sales:**

**Up 13% (12% after adjusting for currency movements)**

**Operating profit (EBITA): Up 19%**

**Net profit for the period: Up 45%**

**Lower SG&A expenses ratio (selling, general and administration) compensates for fall in gross margin**

**International growth driven by good business in Europe and Asia**

**Strong levels of business in Germany**

### Forecasts for fiscal 2005/2006 firmed up

**Net sales: Up at least 10%**

**EBITA: Up at least 15%**

## KEY EVENTS

**Wincor Nixdorf increases profitability further.** In addition to the benefits provided by net sales growth and economies of scale in the product line-up, the effort invested in the Company's "ProImprove" profit improvement program is paying dividends. Part of this includes the concentration on profitable areas of business in the retail portfolio successfully carried out over the last few years which has produced a return of over 5% in the retail segment. At present, the Company is benefiting from demand for its high-end "intelligent deposit" solutions, such as Cash Check Deposit, reverse vending (bottle and can returns), and for net-centric software. Driven by the improvement in operating profit, net profit for the period is increasing in leaps and bounds mainly due to the refinancing conducted last year, with resultant lower levels of interest expenses, as well as lower levels of amortization charges which followed the demerger (carve-out) from the Siemens Group.

**Successful business growth in Asia.** Using its good business in Europe as a base, Wincor Nixdorf has succeeded in continuing its growth track and strengthening further its positioning in Asia. Included in this is, in particular, the Chinese market where the Company has succeeded in recent months in securing further orders from well-known banks.

**Award-winning innovations.** Wincor Nixdorf was twice awarded the British trade journal "The Banker"'s much-respected Banker Technology Award. Under the category "New Channels Project of the Year" the magazine praised a joint project between the UK bank HSBC and Wincor Nixdorf which saw branches re-designed strictly in line with customer requirements, offering visitors more space and enhanced service. In the category "New Channel Innovation" Barclays Bank and Wincor Nixdorf received an award for the successful introduction of 500 new kiosk systems at Barclays branches in the United Kingdom.

**Safeguarding of pension obligations.** Wincor Nixdorf has set up a Contractual Trust Arrangement (CTA). Under this CTA, assets are allocated directly against employee pension obligations in order to safeguard employees' company pension entitlements (insolvency protection). Under IFRS these assets are netted off against the corresponding pension accruals. The CTA has a value of € 100 million and covers pension obligations to around 3,000 employees, past and present, of Wincor Nixdorf International GmbH.

## BUSINESS PERFORMANCE DURING THE PERIOD OCTOBER 1, 2005 – JUNE 30, 2006

### BUSINESS AND ECONOMIC ENVIRONMENT.

**The world economy.** The upturn in the world economy continued during the period under review. The world economic climate as polled by the ifo Institute rose in Spring 2006 for the third time in succession. In the euro-zone, too, the good performance and economic recovery are continuing. The German economy was in good shape at the mid-year.

### Developments in the banking and retail sectors.

According to a study by the Fraunhofer Institute of Labor Economics and Organization (IAO), banks are expecting to see more intense competition in the private clients business, especially where standardized products and services are concerned. This challenge is to be countered with improved service in branches, such as addressing customers pro-actively via self-service equipment. At the same time banks are continuing efforts to boost their branch banking efficiency by means of standardization and process optimization. Greater moves towards business process outsourcing are intended to achieve focus on selling as a core competency.

The retail sector continues to be characterized by strong competitive pressure. As a result, international groups are at pains to use modern IT to achieve productivity and efficiency gains and are also expanding their store networks in growth territories.

### GROUP BUSINESS PERFORMANCE.

**Net sales and profit.** In the first three quarters of the fiscal year the Group grew net sales by 13% to € 1,435 million (previous year: € 1,265 million). After adjusting for movements in the euro/US dollar exchange rate, net sales moved ahead 12%. Q3 net sales were up 16% at € 492 million (previous year: € 424 million). Contributing factors were good international business and, equally, strong business in Germany.

Gross margin on net sales before profit charges arising from the carve-out was 1.1 percentage points down on the same period last year at 27.7% (previous year: 28.8%). This change was mainly the result of start-up costs within outsourcing projects the Company is using to open up extra business potential.

Research and development expenses grew by € 6 million to € 61 million (previous year: € 55 million), 11% up compared with the previous year. The R&D ratio was unchanged at 4.3%.

The 1.3 percentage point fall in the ratio of selling, general and administration expenses to 15.3% (previous year: 16.6%) was able to compensate for the reduction in gross margin. In the first three quarters of the fiscal year, SG&A expenses came to a total of € 219 million (previous year: € 210 million). This rise, of moderate proportion compared to the growth in net sales, was primarily driven by further successes produced by the Group-wide "ProImprove" productivity improvement program.

Within the first three quarters, operating profit (EBITA) before amortization of product know-how rose 19% to reach € 118 million (previous year: € 99 million). As a result,

the profit-to-revenue ratio was 0.4 percentage points up at 8.2% (previous year: 7.8%).

At the nine-month point, net profit for the period increased to € 58 million, € 18 million (45%) ahead of last year's comparable figure (previous year: € 40 million). The further strengthening of Group profitability can be seen in the 31% rise in net profit for the period before profit charges arising from the carve-out to € 68 million (previous year: € 52 million).

**Cash flow.** In the first nine months of the fiscal year, cash flow from operating activities reached € 124 million (previous year: € 120 million). Contributing factors were both EBITDA of € 148 million (previous year: € 121 million) and changes in working capital. These changes produced an outflow of funds of € 19 million, in which the allocation of a part of trade receivables has been included as plan assets.

Outgoing cash flow for investment activities of € 33 million (previous year: € 38 million) showed an application of funds largely featuring investment in intangible assets and property, plant and equipment. Investment was essentially undertaken in office and factory equipment (€ 19 million, previous year: € 12 million). Last year's figure included acquisition consideration of € 19 million. As per common industry practice, reworkable service parts are now being reported for the first time under "Non-current assets". € 6 million was invested in reworkable service parts.

Cash flow from financing activities showed a cash outflow of € 40 million (previous year: € 88 million). A major element of this was a dividend payment of € 35 million (previous year: € 20 million). The 2004 option program payout resulted in an outflow of € 7 million after tax effects.

In June 2006 the Company transferred assets into a legally registered association to create plan assets as defined by IAS 19 under a CTA. The plan assets consist of € 14 million of equity interest in a real estate property leased to third parties, trade receivables of € 30 million and cash funds of € 56 million. The association has undertaken pension obligations to the same value. This cash outgoing has been reported as a neutral change in cash funds.

**Regional performance.** In Europe (excl. Germany) net sales increased by 10% during the first three quarters of the fiscal year to € 751 million (previous year: € 682 million). At 52% (previous year: 54%), Europe made the largest contribution to total Group net sales. During the third fiscal quarter, net sales in Europe (excl. Germany) were up 18% to € 255 million (previous year: € 217 million).

In Germany, business was up 16% in the first three quarters, making a sizeable contribution to overall growth within the Group. Net sales moved ahead to € 392 million (previous year: € 337 million). As in the previous year, this is equivalent to 27% of total net sales. Fiscal Q3 net sales in Germany were up 19% to € 138 million (previous year: € 116 million).

In the Americas, net sales during the period under review added 11% to € 112 million (previous year: € 101 million). In US dollar terms this represented a rise of 5%. Excellent growth in Latin America was balanced by a restrained performance in the US. As in the previous year, the Americas accounted for 8% of total Group net sales. In fiscal Q3, net sales in the Americas remained at last year's level of € 42 million.

In Asia-Pacific & Africa, net sales moved 24% ahead to € 180 million (previous year: € 145 million), a rise of 17% in US dollar terms. Asia-Pacific & Africa accounted for 13% of total Group net sales (previous year: 11%). In fiscal Q3, net sales in Asia-Pacific & Africa improved 16% to reach € 57 million (previous year: € 49 million).

**Segment performance.** The **banking** segment saw net sales up 19% to € 874 million (previous year: € 737 million) during the first three quarters, driven by significant rates of growth in both product and services business across all regions. Q3 net sales growth in banking was 21%. During the first three quarters, EBITA in the banking segment reached € 88 million (previous year: € 74 million), 19% ahead of the same period last year.

The **retail** segment grew its net sales by 6% during the first nine months of the fiscal year to reach € 561 million (previous year: € 528 million), benefiting significantly from good product sales of reverse vending systems in Germany. In fiscal Q3, retail net sales growth was 8%. Nine-month EBITA in the retail segment was up 20% to € 30 million (previous year: € 25 million).

**Performance by business stream.** During the period under review Wincor Nixdorf enjoyed excellent product sales to banks and retailers alike. Product net sales changed by 16% to € 861 million (previous year: € 744 million), primarily reflecting excellent levels of sales of automated teller machines complemented by strong sales of reverse vending systems. Good product business also prepares the ground for ongoing services business in subsequent years. Net sales of solutions & services were up 10% at € 574 million (previous year: € 521 million).

As a result, the portion of product sales of total net sales is 60% (previous year: 59%) and the portion of solutions & services net sales is 40% (previous year: 41%).

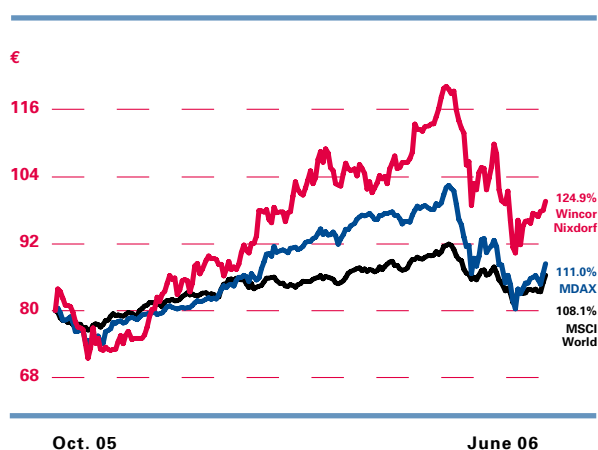
During fiscal Q3, net sales in the product business improved 18% to € 296 million (previous year: € 251 million) and solutions & services climbed 13% to € 196 million (previous year: € 173 million).

In order to strengthen local service capabilities in the Netherlands, Wincor Nixdorf has taken over the Dutch cash-in-transit business from the administrators of the insolvent Heros Group.

**Employees.** As of June 30, 2006 the number of people employed within the Group grew by 631 since September 30, 2005 to 7,568. The increase in headcount is to assist further growth in the services business and also the Group's international expansion in growth markets.

## STOCK/INVESTOR RELATIONS.

**Performance of Wincor Nixdorf stock compared to the MDAX (Performance Index) and the MSCI World Index for the period October 1, 2005 through June 30, 2006:**



### Share price data

|   | €              |
|---|----------------|
| Opening price (Xetra) on October 3, 2005      | 80.00          |
| High between October and June 2006 (Xetra)    | 122.31         |
| Low between October and June 2006 (Xetra)     | 69.74          |
| Closing price (Xetra) on June 30, 2006        | 99.95          |
| <b>Market capitalization on June 30, 2006</b> | <b>1,653 m</b> |

In April 2006 the German stock market initially continued the positive trend seen in previous months. In May 2006 the international stock markets, and in particular German mid-cap stocks, underwent significant correction against the backdrop of inflation fears. After reaching a post-IPO high of € 122.31 at the beginning of May, the Wincor Nixdorf share price fell to levels below € 90 at times before recovering to just short of € 100 at the end of the period under review. Despite the significant fall in May and June, the Wincor Nixdorf share price grew 24.9% during the period under review, beating the MDAX Performance Index which rose 11.0%.

**Investor relations in Q3.** 19 analysts in respected European research units are currently watching the Company and commenting on our progress.

As per reports issued under Sect. 21 of the German Securities Trading Law the following companies held interests of greater than 5% of Wincor Nixdorf's total share capital at the end of the period under review:

- Fidelity International Ltd.
- Fidelity Management & Research Corp.
- Threadneedle Asset Management Ltd./Ameriprise Financial Inc.

Great interest on the part of international investors in talking to representatives of the Company was observed at the UBS Northern European Conference on May 17, 2006 in London, the Deutsche Bank German Corporate Conference on May 31, 2006 in Frankfurt and the Dresdner Kleinwort Wasserstein German MidCap Investor Day on June 6, 2006 in New York. Also, a large number of discussions with institutional investors were held at roadshows in Vienna and Brussels. A telephone conference for analysts was held when the Q2 2005/2006 results were released.

## **OUTLOOK.**

During the first nine months of the current fiscal year, Wincor Nixdorf AG has succeeded in continuing its net sales and profit performance and, in so doing, reducing volatility from quarter to quarter. This trend will continue in Q4.

Overall, the past quarters' results and the outlook in terms of expected business performance during the remaining three months of the year underpin the growth forecast already made for the full fiscal year. The Company is expecting to be able to achieve its declared rates of growth of at least 10% in net sales and at least 15% in EBITA.

## CONSOLIDATED STATEMENT OF INCOME

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|   | 3rd quarter<br>2006 <sup>1)</sup> | 3rd quarter<br>2005 <sup>2)</sup> | 9 months<br>2006 <sup>3)</sup> | 9 months<br>2005 <sup>4)</sup> |
|---|-----------------------------------|-----------------------------------|--------------------------------|--------------------------------|
| <b>1. Net sales</b>   | <b>491,667</b>                    | <b>423,924</b>                    | <b>1,434,819</b>               | <b>1,264,863</b>               |
| 2. Cost of sales  | -365,571                          | -312,482                          | -1,053,234                     | -921,075                       |
| <b>3. Gross profit</b>  | <b>126,096</b>                    | <b>111,442</b>                    | <b>381,585</b>                 | <b>343,788</b>                 |
| 4. Research and development expenses  | -20,152                           | -17,517                           | -60,733                        | -54,982                        |
| 5. Selling, general and administration expenses   | -69,667                           | -64,114                           | -222,147                       | -209,354                       |
| 6. Other operating result   | 1,859                             | 19                                | 3,582                          | -1,155                         |
| <b>7. Net profit on operating activities</b>  | <b>38,136</b>                     | <b>29,830</b>                     | <b>102,287</b>                 | <b>78,297</b>                  |
| 8. Financial result   | -3,000                            | -4,464                            | -9,314                         | -13,506                        |
| <b>9. Net profit on ordinary activities</b>   | <b>35,136</b>                     | <b>25,366</b>                     | <b>92,973</b>                  | <b>64,791</b>                  |
| 10. Taxes   | -12,427                           | -9,871                            | -34,416                        | -25,210                        |
| <b>11. Profit after taxes</b>   | <b>22,709</b>                     | <b>15,495</b>                     | <b>58,557</b>                  | <b>39,581</b>                  |
| 12. Minority interests  | -489                              | 92                                | -129                           | -69                            |
| <b>13. Net profit for the period</b>  | <b>22,220</b>                     | <b>15,587</b>                     | <b>58,428</b>                  | <b>39,512</b>                  |
| Shares for calculation of basic earnings for the period per share (in thousands)                    | 16,542                            | 16,542                            | 16,542                         | 16,542                         |
| Shares for calculation of diluted earnings for the period per share (in thousands)                  | 16,664                            | 16,591                            | 16,661                         | 16,578                         |
| Basic earnings per share (€)  | 1.34                              | 0.94                              | 3.53                           | 2.39                           |
| Diluted earnings per share (€)  | 1.33                              | 0.94                              | 3.51                           | 2.38                           |
| <b>Net profit for the period</b>  | <b>22,220</b>                     | <b>15,587</b>                     | <b>58,428</b>                  | <b>39,512</b>                  |
| Amortization product know-how   | 4,896                             | 6,046                             | 15,926                         | 20,337                         |
| Calculated tax effect   | -1,909                            | -2,358                            | -6,211                         | -7,931                         |
| <b>Net profit for the period before carve-out</b>   | <b>25,207</b>                     | <b>19,275</b>                     | <b>68,143</b>                  | <b>51,918</b>                  |
| Shares for calculation of basic net profit for the period before carve-out per share (in thousands) | 16,542                            | 16,542                            | 16,542                         | 16,542                         |
| <b>Basic net profit for the period before carve-out per share (€)</b>                               | <b>1.52</b>                       | <b>1.17</b>                       | <b>4.12</b>                    | <b>3.14</b>                    |

<sup>1)</sup> April 1, 2006 – June 30, 2006<sup>2)</sup> April 1, 2005 – June 30, 2005<sup>3)</sup> October 1, 2005 – June 30, 2006<sup>4)</sup> October 1, 2004 – June 30, 2005

## GROUP BALANCE SHEET

### Assets

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|                               | June 30, 2006 |                  | September 30, 2005 |                  |
|-------------------------------|---------------|------------------|--------------------|------------------|
| <b>Non-current assets</b>     |               |                  |                    |                  |
| Intangible assets             | 383,870       |                  | 400,800            |                  |
| Property, plant and equipment | 95,930        |                  | 106,338            |                  |
| Financial assets              | 1,031         |                  | 106                |                  |
| Reworkable service parts      | 17,309        |                  | 13,087             |                  |
| Trade receivables             | 3,212         |                  | 3,876              |                  |
| Other assets                  | 1,987         |                  | 1,499              |                  |
| Deferred tax assets           | 27,911        | <b>531,250</b>   | 24,691             | <b>550,397</b>   |
| <b>Current assets</b>         |               |                  |                    |                  |
| Inventories                   | 261,573       |                  | 223,861            |                  |
| Trade receivables             | 268,036       |                  | 241,595            |                  |
| Current tax assets            | 2,999         |                  | 2,780              |                  |
| Other assets                  | 56,998        |                  | 40,397             |                  |
| Financial assets              | 30            |                  | 42                 |                  |
| Cash and cash equivalents     | 40,006        | <b>629,642</b>   | 50,928             | <b>559,603</b>   |
| <b>Total assets</b>           |               | <b>1,160,892</b> |                    | <b>1,110,000</b> |

### Equity & Liabilities

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|   | June 30, 2006 |                  | September 30, 2005 |                  |
|---|---------------|------------------|--------------------|------------------|
| <b>Equity</b>                                 |               |                  |                    |                  |
| Group equity                                  | 249,342       |                  | 227,633            |                  |
| Minority interest                             | 4,183         | <b>253,525</b>   | 6,140              | <b>233,773</b>   |
| <b>Non-current liabilities</b>                |               |                  |                    |                  |
| Accruals for pensions and similar commitments | 33,266        |                  | 122,935            |                  |
| Other accruals                                | 24,205        |                  | 20,095             |                  |
| Financial liabilities                         | 177,515       |                  | 174,104            |                  |
| Trade payables                                | 14            |                  | 0                  |                  |
| Other liabilities                             | 16            |                  | 227                |                  |
| Deferred tax liabilities                      | 29,530        | <b>264,546</b>   | 12,320             | <b>329,681</b>   |
| <b>Current liabilities</b>                    |               |                  |                    |                  |
| Other accruals                                | 142,413       |                  | 115,298            |                  |
| Financial liabilities                         | 46,370        |                  | 52,590             |                  |
| Advances received on orders                   | 24,013        |                  | 26,571             |                  |
| Trade payables                                | 234,159       |                  | 194,529            |                  |
| Current income tax liabilities                | 18,116        |                  | 20,330             |                  |
| Other liabilities                             | 177,750       | <b>642,821</b>   | 137,228            | <b>546,546</b>   |
| <b>Total equity &amp; liabilities</b>         |               | <b>1,160,892</b> |                    | <b>1,110,000</b> |

## GROUP CASH FLOW STATEMENT

|   | €k                             |                                |
|---|--------------------------------|--------------------------------|
|   | 9 months<br>2006 <sup>1)</sup> | 9 months<br>2005 <sup>2)</sup> |
| <b>Operating profit (EBITA)</b>   | <b>118,213</b>                 | <b>98,634</b>                  |
| Amortization/depreciation of property rights, licenses and property, plant and equipment            | 26,467                         | 22,186                         |
| Write-down of reworkable service parts  | 3,795                          | 0                              |
| <b>EBITDA</b>   | <b>148,475</b>                 | <b>120,820</b>                 |
| Interest expenses, less interest income, plus other financial expenses, less other financial income | -9,314                         | -13,506                        |
| Taxes on income and profit  | -34,416                        | -25,210                        |
| Profit/loss on disposal of fixed assets   | -247                           | 17                             |
| Increase in accruals  | 52,139                         | 21,635                         |
| Other non-cash expenses, less other non-cash income   | 3,806                          | -2,408                         |
| Increase/decrease in working capital  | -18,686                        | 30,124                         |
| Increase in other items within net current assets   | -17,735                        | -11,402                        |
| <b>Cash flow from operating activities</b>  | <b>124,022</b>                 | <b>120,070</b>                 |
| Payments received from the disposal of property, plant and equipment                                | 589                            | 1,234                          |
| Payments received from the disposal of financial assets   | 77                             | 77                             |
| Payments received in connection with takeover of other business units                               | 4,716                          | 0                              |
| Payments made for investment in intangible assets   | -3,895                         | -4,294                         |
| Payments made for investment in property, plant and equipment                                       | -28,042                        | -16,637                        |
| Payments made for acquisition of consolidated affiliated companies and other business units         | -453                           | -18,595                        |
| Payments made for investment in financial assets  | -30                            | -5                             |
| Payments made for investment in reworkable service parts  | -5,991                         | 0                              |
| <b>Cash flow from investment activities</b>   | <b>-33,029</b>                 | <b>-38,220</b>                 |
| Payments made to shareholders   | -34,739                        | -20,016                        |
| Payments received from loan draw-downs  | 3,000                          | 7,420                          |
| Payments made for repayment of financial loans  | 0                              | -77,073                        |
| Payments made to minority shareholders and other distributions                                      | -8,456                         | -296                           |
| Payments received/made due to special items   | 43                             | 2,035                          |
| <b>Cash flow from financing activities</b>  | <b>-40,152</b>                 | <b>-87,930</b>                 |
| <b>Change in liquidity</b>  | <b>50,841</b>                  | <b>-6,080</b>                  |
| Change in cash and cash equivalents from exchange rate movements                                    | 91                             | 172                            |
| Changes due to transfer of cash to Wincor Nixdorf Pension Trust e. V.                               | -56,000                        | 0                              |
| Cash and cash equivalents at beginning of period  | -1,185                         | 51,080                         |
| <b>Cash and cash equivalents at end of period</b>   | <b>-6,253</b>                  | <b>45,172</b>                  |

<sup>1)</sup> October 1, 2005 – June 30, 2006

<sup>2)</sup> October 1, 2004 – June 30, 2005

## CHANGES IN EQUITY

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|   | Sub-<br>scribed<br>capital | Add.<br>paid-in<br>capital | Misc.<br>retained<br>earnings | Revaluation<br>reserve | Other con-<br>solidation<br>reserves | Consolidated<br>profit/loss | Currency<br>translation<br>adjustments | Group<br>Equity | Minority<br>interest | Equity         |
|---|----------------------------|----------------------------|-------------------------------|------------------------|--------------------------------------|-----------------------------|--|-----------------|----------------------|----------------|
| <b>As of October 1, 2004</b>                        | <b>16,542</b>              | <b>168,289</b>             | <b>7,021</b>                  | <b>241</b>             | <b>-32,461</b>                       | <b>41,414</b>               | <b>-7,031</b>                          | <b>194,015</b>  | <b>4,520</b>         | <b>198,535</b> |
| Fair value cash flow hedge                          | 0                          | 0                          | 0                             | -7,244                 | 0                                    | 0                           | 0                                      | -7,244          | 0                    | -7,244         |
| Fair value other financial assets                   | 0                          | 0                          | 0                             | 22                     | 0                                    | 0                           | 0                                      | 22              | 0                    | 22             |
| Deferred tax effect                                 | 0                          | 0                          | 0                             | 2,869                  | 0                                    | 0                           | 0                                      | 2,869           | 0                    | 2,869          |
| <b>Net income recognized<br/>directly in equity</b> | <b>0</b>                   | <b>0</b>                   | <b>0</b>                      | <b>-4,353</b>          | <b>0</b>                             | <b>0</b>                    | <b>0</b>                               | <b>-4,353</b>   | <b>0</b>             | <b>-4,353</b>  |
| Profit  | 0                          | 0                          | 0                             | 0                      | 0                                    | 39,512                      | 0                                      | 39,512          | 69                   | 39,581         |
| Distributions                                       | 0                          | 0                          | 0                             | 0                      | 0                                    | -20,029                     | 0                                      | -20,029         | 0                    | -20,029        |
| Takeover of shares                                  | 0                          | 0                          | 0                             | 0                      | 0                                    | 0                           | 0                                      | 0               | -1,603               | -1,603         |
| Other changes                                       | 0                          | 576                        | 2,754                         | 0                      | 0                                    | -2,382                      | 0                                      | 948             | 0                    | 948            |
| Exchange rate changes                               | 0                          | 0                          | 0                             | 0                      | 0                                    | 0                           | 1,800                                  | 1,800           | 0                    | 1,800          |
| <b>As of June 30, 2005</b>                          | <b>16,542</b>              | <b>168,865</b>             | <b>9,775</b>                  | <b>-4,112</b>          | <b>-32,461</b>                       | <b>58,515</b>               | <b>-5,231</b>                          | <b>211,893</b>  | <b>2,986</b>         | <b>214,879</b> |
| <b>As of October 1, 2005</b>                        | <b>16,542</b>              | <b>169,136</b>             | <b>7,098</b>                  | <b>-4,179</b>          | <b>-47,200</b>                       | <b>91,304</b>               | <b>-5,068</b>                          | <b>227,633</b>  | <b>6,140</b>         | <b>233,773</b> |
| Fair value cash flow hedge                          | 0                          | 0                          | 0                             | 12,067                 | 0                                    | 0                           | 0                                      | 12,067          | 0                    | 12,067         |
| Fair value other financial assets                   | 0                          | 0                          | 0                             | -7                     | 0                                    | 0                           | 0                                      | -7              | 0                    | -7             |
| Cash settlement share-based<br>payment program      | 0                          | 0                          | -10,087                       | 0                      | 0                                    | 0                           | 0                                      | -10,087         | 0                    | -10,087        |
| Deferred tax effect                                 | 0                          | 0                          | 3,631                         | -4,706                 | 0                                    | 0                           | 0                                      | -1,075          | 0                    | -1,075         |
| <b>Net income recognized<br/>directly in equity</b> | <b>0</b>                   | <b>0</b>                   | <b>-6,456</b>                 | <b>7,354</b>           | <b>0</b>                             | <b>0</b>                    | <b>0</b>                               | <b>898</b>      | <b>0</b>             | <b>898</b>     |
| Profit  | 0                          | 0                          | 0                             | 0                      | 0                                    | 58,428                      | 0                                      | 58,428          | 129                  | 58,557         |
| Distributions                                       | 0                          | 0                          | 0                             | 0                      | 0                                    | -34,919                     | 0                                      | -34,919         | 0                    | -34,919        |
| Takeover of shares                                  | 0                          | 0                          | 0                             | 0                      | 0                                    | 0                           | 0                                      | 0               | -2,086               | -2,086         |
| Other changes                                       | 0                          | -39                        | 2,036                         | 0                      | 0                                    | -2,214                      | 0                                      | -217            | 0                    | -217           |
| Exchange rate changes                               | 0                          | 0                          | 0                             | 0                      | 0                                    | 0                           | -2,481                                 | -2,481          | 0                    | -2,481         |
| <b>As of June 30, 2006</b>                          | <b>16,542</b>              | <b>169,097</b>             | <b>2,678</b>                  | <b>3,175</b>           | <b>-47,200</b>                       | <b>112,599</b>              | <b>-7,549</b>                          | <b>249,342</b>  | <b>4,183</b>         | <b>253,525</b> |

## SELECTED EXPLANATORY NOTES

### PRINCIPLES OF CONSOLIDATION, ACCOUNTING AND VALUATION.

The Group interim report of Wincor Nixdorf AG has been compiled in accordance with the requirements of the International Accounting Standards Board (IASB) and the bulletins of the International Financial Reporting Interpretations Committee (IFRIC). With the beginning of the fiscal year 2005/2006 Wincor Nixdorf AG has to apply the standards which have been revised in the course of the "Improvements Project". The first-time application of the revised International Financial Reporting Standards has mainly the following effects on the Group financial statements of Wincor Nixdorf AG to June 30, 2006:

#### IAS 1 "Presentation of Financial Statements"

The IAS 1 revision means the balance sheet has to be presented by current/non-current distinction. Assets and liabilities are divided up into current and non-current items, and equity now also includes minority interest.

Current assets are those

- which are turned over within the entity's normal operating cycle,
- which are primarily held for the purpose of being traded,
- which are expected to be realized within twelve months after the balance sheet date or
- which are cash or cash equivalents.

Current liabilities are those

- which are expected to be settled within the entity's normal operating cycle,
- which are primarily held for the purpose of being traded,
- which are due to be settled within twelve months after the balance sheet date or
- in respect of which the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

This differentiation results in a change to the structure of the balance sheet of Wincor Nixdorf AG in fiscal 2005/2006. The Group balance sheet as of September 30, 2005 has been adjusted accordingly, with trade receivables,

other assets, other accruals, financial liabilities and other liabilities split up into constituent current and non-current components. In addition, spare parts used by the service business have so far been reported under inventories. These are split up into reworkable service parts and other spare parts. If reworkable parts of Wincor Nixdorf products break down they are made serviceable again by Wincor Nixdorf or other service providers under a logistics and repairs process and returned to the spare parts inventory. As per typical industry practice, reworkable service parts are now being reported for the first time as non-current assets. Furthermore, prepaid expenses and deferred income are reported, respectively, under other assets and other liabilities.

#### Accruals for pensions and similar obligations.

In June 2006 Wincor Nixdorf created plan assets according to IAS 19 as part of a Contractual Trust Arrangement by transferring assets to a registered association (Wincor Nixdorf Pension Trust e. V.). The association, as an independent pension fund, is entitled to the plan assets which fund pension obligations to employees in Germany. The plan assets, which were transferred to the association at their market values, are divided into an equity interest in a real estate company (€ 14,499k), trade receivables (€ 30,069k) as well as cash and cash equivalents (€ 56,000k). The plan assets have been deducted from the corresponding pension obligations on the Group balance sheet as of June 30, 2006. In addition, Wincor Nixdorf converted parts of the employer's pension scheme arrangements in the third quarter of 2006 from pension payments to a one-time payoff or payment in several installments. This alteration has resulted in a change to the pension obligations valuation as of June 30, 2006.

**Share-based payment program.** The vesting period for the 2004 share-based payment program expired on June 2, 2006, and of the 212,500 share options issued 198,500 have been exercised. The weighted average share price at the date of exercise was € 97.88. The share options were redeemed by the allocation of shares (7,250 share options) purchased on the market and by cash settlement (191,250 share options). This did not produce any change

to the total number of shares in issue. The expenses incurred have been charged directly against equity.

Besides the same principles of consolidation, accounting and valuation and calculation methods apply to this interim report, which was compiled in accordance with the requirements of IAS 34 "Interim Financial Reporting", as were used in the Group financial statements as of September 30, 2005. The applied methods of accounting

and valuation are described in detail in the Notes to the Group financial statements as of September 30, 2005.

### CONSOLIDATION GROUP.

In addition to the parent company Wincor Nixdorf AG, the Group financial statements to June 30, 2006 basically include all domestic and foreign subsidiaries in which Wincor Nixdorf AG owns, either directly or indirectly, over 50% of the shares or voting rights.

### Segment Report by Division

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|   | 3rd quarter 2006 |           |           | 9 months 2006 |           |             |
|---|------------------|-----------|-----------|---------------|-----------|-------------|
|   | Banking          | Retail    | Group     | Banking       | Retail    | Group       |
| Net sales to external customers   | 306,561          | 185,106   | 491,667   | 874,157       | 560,662   | 1,434,819   |
|   | (252,536)        | (171,388) | (423,924) | (737,358)     | (527,505) | (1,264,863) |
| Operating profit (EBITA)  | 31,289           | 11,743    | 43,032    | 87,656        | 30,557    | 118,213     |
|   | (26,481)         | (9,395)   | (35,876)  | (73,966)      | (24,668)  | (98,634)    |
| Investments in property rights, licenses and property, plant and equipment as well as reworkable service parts <sup>1)</sup>  | 15,504           | 4,423     | 19,927    | 29,895        | 8,033     | 37,928      |
|   | (4,734)          | (3,267)   | (8,001)   | (12,760)      | (8,024)   | (20,784)    |
| Amortization/depreciation of property rights, licenses and property, plant and equipment property, plant and equipment and write-down of reworkable service parts <sup>2)</sup> | 9,893            | 3,224     | 13,117    | 22,355        | 7,907     | 30,262      |
|   | (5,634)          | (2,379)   | (8,013)   | (15,408)      | (6,778)   | (22,186)    |
| Research and development expenses   | 12,615           | 7,537     | 20,152    | 37,113        | 23,620    | 60,733      |
|   | (11,651)         | (5,866)   | (17,517)  | (34,682)      | (20,300)  | (54,982)    |

Comparative figures for the period from April 1, 2005 to June 30, 2005 and from October 1, 2004 to June 30, 2005 are given in parentheses.

<sup>1)</sup> The previous year's figures contain no investments in reworkable service parts. <sup>2)</sup> The previous year's figures contain no write-down of reworkable service parts.

### Reconciliation of Segment Profit to Group Profit

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|   | 3rd quarter   |               | 9 months       |               |
|---|---------------|---------------|----------------|---------------|
|   | 2006          | 2005          | 2006           | 2005          |
| Operating profit (EBITA)                  | 43,032        | 35,876        | 118,213        | 98,634        |
| Goodwill amortization                     | 0             | 0             | 0              | 0             |
| <b>Operating profit (EBIT)</b>            | <b>43,032</b> | <b>35,876</b> | <b>118,213</b> | <b>98,634</b> |
| Profit charges arising from the carve-out | -4,896        | -6,046        | -15,926        | -20,337       |
| Financial result                          | -3,000        | -4,464        | -9,314         | -13,506       |
| <b>Net profit on ordinary activities</b>  | <b>35,136</b> | <b>25,366</b> | <b>92,973</b>  | <b>64,791</b> |
| Taxes                                     | -12,427       | -9,871        | -34,416        | -25,210       |
| <b>Profit after taxes</b>                 | <b>22,709</b> | <b>15,495</b> | <b>58,557</b>  | <b>39,581</b> |
| Minority interests                        | -489          | 92            | -129           | -69           |
| <b>Net profit for the period</b>          | <b>22,220</b> | <b>15,587</b> | <b>58,428</b>  | <b>39,512</b> |

The operating profit (EBITA) is stated here as the net profit before taking into account the profit charges arising from the carve-out, which result from the amortization of product know-how acquired in the course of the

carve-out. Since the product know-how is used by both segments, this amortization was not divided across both the segments, Retail and Banking, as in previous years.

### Regional Performance

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|                             | 3rd quarter    |                | 9 months         |                  |
|-----------------------------|----------------|----------------|------------------|------------------|
|                             | 2006           | 2005           | 2006             | 2005             |
| <b>Germany</b>              | <b>138,123</b> | <b>116,234</b> | <b>391,569</b>   | <b>336,737</b>   |
| in % of total net sales     | 28.1           | 27.4           | 27.3             | 26.6             |
| <b>Europe (w/o Germany)</b> | <b>254,787</b> | <b>216,708</b> | <b>750,833</b>   | <b>682,050</b>   |
| in % of total net sales     | 51.8           | 51.1           | 52.3             | 53.9             |
| <b>America</b>              | <b>41,657</b>  | <b>42,395</b>  | <b>111,986</b>   | <b>100,609</b>   |
| in % of total net sales     | 8.5            | 10.0           | 7.8              | 8.0              |
| <b>Asia/Pacific/Africa</b>  | <b>57,100</b>  | <b>48,587</b>  | <b>180,431</b>   | <b>145,467</b>   |
| in % of total net sales     | 11.6           | 11.5           | 12.6             | 11.5             |
| <b>Total</b>                | <b>491,667</b> | <b>423,924</b> | <b>1,434,819</b> | <b>1,264,863</b> |

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

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

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|                   | Oct. 1, 1999   |
|-------------------|----------------|
| Product know-how  | 206,664        |
| Goodwill          | 351,623        |
| Negative goodwill | -1,274         |
|                   | <b>557,013</b> |

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

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|                                  | 9 months<br>2006 | 9 Monate<br>2005 |
|----------------------------------|------------------|------------------|
| Amortization of product know-how | <b>15,926</b>    | <b>20,337</b>    |

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

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|   | 9 months<br>2006 | 9 months<br>2005 |
|---|------------------|------------------|
| <b>Net sales</b>  | <b>1,434,819</b> | <b>1,264,863</b> |
| Cost of Sales   | -1,037,308       | -900,738         |
| <b>Gross profit</b>   | <b>397,511</b>   | <b>364,125</b>   |
| Research and development expenses   | -60,733          | -54,982          |
| Selling, general and administration expenses  | -222,147         | -209,354         |
| Other operating result  | 3,582            | -1,155           |
| <b>Operating profit (EBIT)</b>  | <b>118,213</b>   | <b>98,634</b>    |
| Goodwill amortization   | 0                | 0                |
| <b>Operating profit (EBITA)</b>   | <b>118,213</b>   | <b>98,634</b>    |
| Amortization/depreciation of property rights, licenses and property, plant and equipment and write-down of reworkable service parts <sup>1)</sup> | 30,262           | 22,186           |
| <b>EBITDA</b>   | <b>148,475</b>   | <b>120,820</b>   |

<sup>1)</sup>The previous year's figures contain no write-down of reworkable service parts.

Write-down of reworkable service parts amounts to € 3,795k for the period from October 1, 2005 to June 30, 2006.

## 2005/2006 FINANCIAL CALENDAR\*

October 26, 2006

Announcement of preliminary  
full-year results for 2005/2006

December 13, 2006

Publication of 2005/2006 annual report

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

Please refer to the Investor Relations section of our Company website at [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com) for further up-to-the-minute investor relations dates.

This interim report is available online at [www.wincor-nixdorf.com](http://www.wincor-nixdorf.com) by clicking on "Investor Relations" and then "Financial Reports".

## COVER

### Green light for retail self-service checkouts

The smooth running of modern self-service systems which retail customers use, for example, to conduct the payment process themselves (self-checkouts), is supported by a traffic-light system attached to the systems. The current operating status is polled by software and displayed using the various light signals. This enables immediate intervention by a store supervisor in the event of possible malfunctions or attempts to interfere with the systems, thereby ensuring orderly, user-friendly purchasing and payment procedures.

Self-checkout is one example of retail automation being driven by Wincor Nixdorf using a combination of hardware, software and services to create all-round solutions for specific business processes, assisting the efforts of retailers to save time and cost with a view to operating in ways which are more customer-friendly and, at the same time, more profitable. As various studies have shown, the majority of ultimate consumers take a very positive view of the new technology, and acceptance is increasingly on the way up. Following on the heels of the USA, the systems are increasingly being found in European retail outlets, including Germany.

User-friendliness plays a key part in determining customer acceptance of this kind of technology. As well as the simplified checkout process, the use of cashless payment systems also offers the customer ease of use as well as being a key factor in simplifying and speeding up the checkout process.

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

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