



**HALF-YEAR INTERIM REPORT**  
**FISCAL YEAR 2006/2007**

October 1, 2006 to March 31, 2007

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

## Key Figures.

	2nd quarter 2007 <sup>1)</sup>	2nd quarter 2006 <sup>2)</sup>	Change	6 months 2006/2007 <sup>3)</sup>	6 months 2005/2006 <sup>4)</sup>	Change
<b>Statement of Income (€ millions) <sup>5)</sup></b>						
<b>Net Sales</b>	<b>537</b>	<b>455</b>	<b>18%</b>	<b>1,085</b>	<b>943</b>	<b>15%</b>
of which Banking	350	277	26%	698	568	23%
of which Retail	187	178	5%	387	375	3%
<b>Gross profit</b>	<b>151</b>	<b>133</b>	<b>14%</b>	<b>298</b>	<b>267</b>	<b>12%</b>
Gross profit as a percentage of net sales	28.1%	29.2%	-	27.5%	28.3%	-
<b>Research &amp; development expenses</b>	<b>-24</b>	<b>-21</b>	<b>14%</b>	<b>-46</b>	<b>-41</b>	<b>12%</b>
R&D expenses as a percentage of net sales	4.5%	4.6%	-	4.2%	4.3%	-
<b>Selling, general and administration expenses <sup>6)</sup></b>	<b>-83</b>	<b>-75</b>	<b>11%</b>	<b>-162</b>	<b>-151</b>	<b>7%</b>
SG&A expenses as a percentage of net sales	15.5%	16.5%	-	14.9%	16.0%	-
<b>Operating profit (EBITA) <sup>7)</sup></b>	<b>44</b>	<b>37</b>	<b>19%</b>	<b>90</b>	<b>75</b>	<b>20%</b>
EBITA as a percentage of net sales (EBITA margin)	8.2%	8.1%	-	8.3%	8.0%	-
of which Banking	34	28	21%	69	56	23%
as a percentage of net sales Banking	9.7%	10.1%	-	9.9%	9.9%	-
of which Retail	10	9	11%	21	19	11%
as a percentage of net sales Retail	5.3%	5.1%	-	5.4%	5.1%	-
<b>Amortization/depreciation of property, plant and equipment and licenses and write-down of reworkable service parts</b>	<b>11</b>	<b>9</b>	<b>22%</b>	<b>22</b>	<b>17</b>	<b>29%</b>
<b>EBITDA</b>	<b>55</b>	<b>46</b>	<b>20%</b>	<b>112</b>	<b>92</b>	<b>22%</b>
EBITDA as a percentage of net sales (EBITDA margin)	10.2%	10.1%	-	10.3%	9.8%	-
<b>Profit for the period</b>	<b>24</b>	<b>18</b>	<b>33%</b>	<b>49</b>	<b>36</b>	<b>36%</b>
Profit for the period as a percentage of net sales	4.5%	4.0%	-	4.5%	3.8%	-
<b>Profit for the period (before carve-out)</b>	<b>26</b>	<b>21</b>	<b>24%</b>	<b>54</b>	<b>43</b>	<b>26%</b>
Profit for the period (before carve-out) as a percentage of net sales	4.8%	4.6%	-	5.0%	4.6%	-
<b>Cash flow (€ millions)</b>						
<b>Cash flow from operating activities</b>				<b>131</b>	<b>108</b>	<b>21%</b>
				<b>March 31,</b>	<b>Sept. 30,</b>	
				<b>2007</b>	<b>2006</b>	<b>Change</b>
<b>Key Balance Sheet Figures (€ millions)</b>						
<b>Working Capital <sup>8)</sup></b>				<b>167</b>	<b>215</b>	<b>-48</b>
as a percentage of net sales (annualized)				7.7%	11.0%	-
<b>Net debt</b>				<b>166</b>	<b>200</b>	<b>-34</b>
<b>Equity <sup>9)</sup></b>				<b>255</b>	<b>275</b>	<b>-20</b>
<b>Human Resources</b>						
<b>Number of Employees</b>				<b>8,116</b>	<b>7,787</b>	<b>329</b>

<sup>1)</sup> January 1, 2007 - March 31, 2007<sup>2)</sup> January 1, 2006 - March 31, 2006<sup>3)</sup> October 1, 2006 - March 31, 2007<sup>4)</sup> October 1, 2005 - March 31, 2006<sup>5)</sup> before profit charges arising from carve-out<sup>6)</sup> including other income and expenses<sup>7)</sup> net profit on operating activities before interest, taxes and amortization of goodwill and product know-how<sup>8)</sup> without reworkable service parts<sup>9)</sup> including minority interest

## BUSINESS PERFORMANCE

### FIRST HALF EXCEEDS EXPECTATIONS

**Net sales: up 15% (adjusted for exchange rate effects: up 18%)**

**Operating profit (EBITA): up 20%**

**Profit for the period: up 36%**

**Strong Banking business benefits from large-scale rollouts**

**Significant growth in Europe**

**Solid gains in Asia and Americas**

### FORECASTS FOR FISCAL YEAR UPGRADED

**Net sales: from 6% to 9%**

**EBITA: from 8% to 15%**

## KEY EVENTS

**New production facilities and Software Competence Center in China strengthen position in Asia.** In preparation for further growth in Asia, Wincor Nixdorf set up a new and expanded production facility in Shanghai/China in the period under review. The unit also includes a Software Competence Center. Production floor space has thus been trebled. The Company's latest move in Asia clearly underlines the future importance of the new production site within the global manufacturing network operated by Wincor Nixdorf. The Software Competence Center forms part of the international software development network established by Wincor Nixdorf. Its main purpose is to facilitate the integration and adaptation of internationally available Wincor Nixdorf software in China and Asia, thereby contributing to the expansion of Wincor Nixdorf's solution business in the region.

**Stronger focus on business in emerging markets.** Alongside its activities in Asia, the Company has also been benefiting from economic growth in other regions. Within this context, Wincor Nixdorf has followed its global customers as they expand into new markets. In parallel, there is an emphasis on establishing customer relations with local suppliers who are currently ramping up their business within the areas of retail banking and the retail trade. Growth in Eastern Europe remains buoyant. Beyond that, business in the Middle East/Southern Asia and North Africa has been gathering momentum. In response to this trend, a newly established subsidiary in Algeria commenced operations at the beginning of 2007. Using this location as a base, the Company aims to expand into the promising North African market.

**Changes to Supervisory Board and Board of Directors.** On conclusion of the Annual General Meeting of Shareholders on January 29, 2007, changes to the chairmanship of both the Supervisory Board and the Board of Directors of Wincor Nixdorf AG came into effect. Karl-Heinz Stiller stepped down from his position as President and CEO. He was elected to the Supervisory Board as the successor to Johannes Huth and was subsequently appointed Chairman of this body. Eckard Heidloff assumed his responsibilities as the new President and CEO of the Company. Dr. Jürgen Wunram was appointed as the new Chief Financial Officer effective from March 1, 2007.

**Capital increase and stock buy-back to service share option plans.** With effect from March 22, 2007, Wincor Nixdorf AG implemented the capital increase out of company reserves, as agreed by the 2007 Annual General Meeting of Shareholders, by issuing new shares in a ratio of 1:1. The capital increase had come into effect upon entry in the Commercial Register on March 14, 2007. In total, 16,542,494 bonus shares were issued. Thus, the Company's share capital doubled from €16,542,494 to €33,084,988. In addition, on the basis of the authorization granted by the 2007 Annual General Meeting of Shareholders, the Board of Directors passed a resolution for the repurchase, as from March 15, 2007, of up to 185,000 Company shares (after stock split: 370,000 shares) via the stock exchange.

## BUSINESS PERFORMANCE DURING THE PERIOD OCTOBER 1, 2006 – MARCH 31, 2007

### BUSINESS AND ECONOMIC ENVIRONMENT.

**The world economy.** The ifo indicator monitoring the world's economic climate improved over the course of the first quarter of 2007, having shown signs of a slight weakening in the second half of 2006. The experts' overall assessment of the current economic situation is more favorable than in the last quarter; the same applies to their outlook for the next six months. This suggests that the world economy will remain buoyant during the first half of 2007.

Western Europe recorded a rise in its economic climate indicator. Within this context, Germany's current economic performance was again rated as particularly favorable. In the United States the positive assessment of the country's current economic performance is tarnished slightly by a more cautious outlook for the coming six months. The economic climate in Asia improved further during the period under review.

### Developments in the retail banking and retail sectors.

Against the backdrop of continuing competitive pressure, both the retail banking sector and the retail industry are focusing on the deployment of state-of-the-art information technology to rein back costs and improve efficiency levels. At the same time, companies are looking to extend their service portfolios by providing new self-service and automation solutions for their customers. Both sectors are continuing to expand their branch and store networks in high-growth regions around the globe.

### GROUP BUSINESS PERFORMANCE.

**Net sales and profit.** The Wincor Nixdorf Group increased net sales by 15% to €1,085 million in the first six months of fiscal 2006/2007 (previous year: €943 million). Adjusted for movements in the EUR/USD exchange rate, net sales grew by 18%.

Consolidated net sales for the second quarter amounted to €537 million. Recording a growth rate of 18% compared with the same period a year ago (€455 million), Wincor Nixdorf benefited from several large-scale banking projects, thus emulating its first-quarter performance.

The gross margin on net sales before carve-out charges stood at 27.5% in the first half of fiscal 2006/2007 (previous year: 28.3%), which corresponds to a year-on-year decline of 0.8 percentage points. This was attributable to the effects of business expansion in international growth markets and the prevailing pressure on prices associated with product-related business.

Research and development expenses rose by €5 million to €46 million in the period under review (previous year: €41 million), a 12% increase compared with the same period a year ago. The R&D ratio was 4.2% (previous year: 4.3%).

Calculated in relation to net sales, the selling, general and administration expense ratio fell by 1.1 percentage points to 14.9% in the reporting period (previous year: 16.0%). In total, selling, general and administration expenses amounted to €162 million (previous year: €151 million).

Earnings before interest, taxes and amortization of product know-how (EBITA) grew by 20% in the first six months of fiscal 2006/2007, thus climbing to €90 million (previous year: €75 million). The EBITA margin improved by 0.3 percentage points to 8.3% (previous year: 8.0%).

Profit for the first six months rose to €49 million and was thus €13 million, or 36%, higher than the figure posted for the same period a year ago (previous year: €36 million). Profit for the period before carve-out charges grew by 26% to €54 million (previous year: €43 million).

**Cash flow.** In the first six months of fiscal 2006/2007 cash flow from operating activities totaled €131 million, a significant year-on-year increase (previous year: €108 million). As was the case in the previous year, growth within this area was driven mainly by EBITDA with an increase of 22% to €112 million (previous year: €92 million). In addition, the reduction in working capital by €48 million (previous year: €27 million) produced an inflow of cash. The increase in other assets had a contrary effect.

At €28 million, net cash used in investing activities exceeded the previous year's figure of €18 million by a significant margin. Wincor Nixdorf's more expansive outsourcing business prompted an increase in investments in other fixed assets and office equipment. In addition, investments in reworkable service parts accounted for €5 million.

Net cash used in financing activities amounted to €96 million (previous year: €67 million). The dividend payment of €2.80 per share for fiscal 2005/2006 resulted in a cash outflow of €46 million (previous year: €35 million). A total of €26 million (previous year: €37 million) was used for the repayment of financial loans. Additionally, the purchase of own shares as part of the Company's stock reacquisition plan accounted for a cash outflow of €24 million.

**Regional performance.** Europe (excluding Germany) proved to be a significant growth driver in the first half of the fiscal year, producing a 17% increase in net sales. At €581 million (previous year: €496 million), net sales in this region accounted for 54% (previous year: 53%) and thus the largest share of total net sales. In the second quarter of fiscal 2006/2007 net sales generated in Europe (excluding Germany) rose by 26% to €290 million (previous year: €231 million).

In Germany, net sales grew by 13% to €286 million (previous year: €253 million). Thus, business in Germany contributed 26% (previous year: 27%) to total net sales. In the second quarter of fiscal 2006/2007 net sales generated in Germany increased by 8% to €141 million (previous year: €130 million).

In the Americas, net sales in U.S. dollar terms rose by 25% over the course of the first six months of fiscal 2006/2007. Translated into euros, net sales grew by 13% to €80 million (previous year: €71 million). As was the case in the same period a year ago, the Americas contributed 7% to total net sales within the Group. In the second quarter of the fiscal year under review net sales generated in the Americas rose by 23% to €38 million (previous year: €31 million).

Asia/Pacific/Africa, a region which also forms part of the U.S. dollar zone, increased its net sales by 23% year on year. Calculated on the basis of euros, this constitutes a year-on-year rise of 12% to €138 million (previous year: €123 million). The share contributed by Asia/Pacific/Africa to total net sales within the Group remained unchanged year on year at 13%. In the second quarter of fiscal 2006/2007 net sales generated in Asia/Pacific/Africa grew by 8% to €68 million (previous year: €63 million).

**Segment performance.** Business in the **Banking** segment gained additional momentum in the first six months of the fiscal year as a result of major rollout projects in the United Kingdom and Italy, as well as in Eastern Europe. In the first half net sales grew by 23% to €698 million (previous year: €568 million). In the second quarter net sales growth climbed to as much as 26%. In the first half, the Banking segment produced EBITA of €69 million (previous year: €56 million), thus exceeding the previous year's figure by an impressive 23%.

The **Retail** segment recorded a 3% gain in net sales in the first six months of fiscal 2006/2007, posting a total of €387 million for this period (previous year: €375 million). In the second quarter net sales growth within the Retail segment amounted to 5%. EBITA within the Retail segment improved by 11% to €21 million in the first half (previous year: €19 million).

**Performance by business stream.** In the first half of fiscal 2006/2007 net sales attributable to Product business rose by 16% year on year to €655 million (previous year: €565 million). Net sales from Solutions/Services increased by 14% to €430 million (previous year: €378 million).

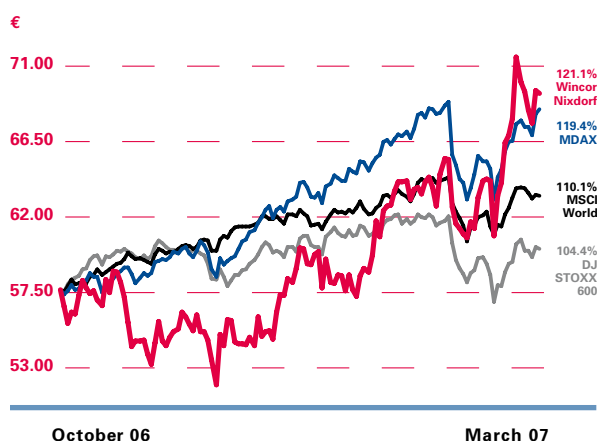
Net sales from Product business in relation to total net sales remained unchanged year on year at 60%. Correspondingly, the share of net sales attributable to Solutions/Services stayed at 40%.

In the second quarter of fiscal 2006/2007 net sales from Product business grew by 18% to €317 million (previous year: €268 million). Net sales from Solutions/Services also rose by 18% to €220 million (previous year: €187 million).

**Employees.** Between September 30, 2006, and March 31, 2007, inclusive, the headcount for the Group as a whole increased by 329 to 8,116. Recruitment efforts were aimed at enhancing resources in Services and driving the Group's international expansion in growth markets.

## STOCK/INVESTOR RELATIONS.

### Performance of Wincor Nixdorf stock compared to MDAX (Performance Index), MSCI World and DJ Stoxx 600 for the period from October 1, 2006, to March 31, 2007:



Share price data <sup>1)</sup>	in €
Opening price (Xetra) October 2, 2006	57.62
High between October 2006 and March 2007 (Xetra)	73.48
Low between October 2006 and March 2007 (Xetra)	50.75
Closing price (Xetra), March 30, 2007	69.76
<b>Market capitalization, March 30, 2007 <sup>2)</sup></b>	<b>€ 2,308m</b>

<sup>1)</sup> Price data adjusted after capital increase, executed on March 22, 2007, through issuance of shares in a ratio of 1:1

<sup>2)</sup> including treasury shares

The German stock market recorded a very solid performance in the first three months of 2007, thus maintaining the level of forward momentum seen in the preceding quarter. At the end of February, both the German stock market and its international counterparts had to contend with a severe slump when market volatility emanating from China prompted market corrections around the globe. However, by the end of the period under review the German stock market had recovered to a large extent.

Wincor Nixdorf's stock experienced significant gains toward the end of March. The share price was propelled upward by 21.1% since the beginning of October 2006, thus outperforming the market as a whole during this period (MDAX Performance Index +19.4%). In March, the Company's stock reached €73.48, its highest level since IPO. Wincor Nixdorf's share price at the end of the period under review stood at €69.76.

**AGM and capital measures.** Shareholders attending the Annual General Meeting of Wincor Nixdorf AG in Paderborn, Germany, on January 29, 2007, represented over 58% of the Company's voting rights. All resolutions on the agenda were passed with large majorities. Among other items, the Annual General Meeting of Shareholders passed a resolution for the Company's capital stock to be doubled, out of company reserves, through the issuance of new shares. The capital increase came into effect upon entry in the Commercial Register on March 14, 2007, and was executed on March 22, 2007, through the issuance of new shares in a ratio of 1:1. Thus, each shareholder in possession of shares in the Company after the close of the stock exchange on March 21, 2007, was allocated one new share for each share held ("bonus share"). This allocation took place on March 22, 2007. The capital increase was aimed at reducing the share price to an investor-friendly level and thus making Wincor Nixdorf shares more tradeable. Following the capital increase through the issuance of new shares, the Company's share capital has risen from €16,542,494 to €33,084,988.

Additionally, the Annual General Meeting of Shareholders agreed to raise the dividend to €2.80, which was distributed on January 30, 2007. This corresponds to a year-on-year increase of 33% (previous year: €2.10).

**Stock buy-back.** On December 20, 2006, the Board of Directors of Wincor Nixdorf AG passed a resolution for the repurchase of up to 166,390 of the Company's shares via the stock exchange. The stock buy-back program was completed on January 12, 2007. In total, 166,390 shares were repurchased at an average price of €117.05 per share. After the capital increase through issuance of shares in a ratio of 1:1 on March 22, 2007, this corresponds to 332,780 shares and an average purchase price of €58.52 per share.

On March 14, 2007, the Board of Directors of Wincor Nixdorf AG passed a resolution for the repurchase of up to 185,000 of the Company's shares (equivalent to 370,000 shares after the stock split) via the stock exchange as from March 15, 2007. The resolution is based on the corresponding authorization issued by the Annual General Meeting of Shareholders for the repurchase of own equity instruments. By the end of the period under review, 63,448 own equity instruments had been repurchased at an average price of €64.09 per share.

The repurchased shares are to be used for the purpose of settling obligations arising from share options already issued or to be issued to members of the Board of Directors, other managers or staff members.

**Investor Relations.** In the period under review, Merrill Lynch, a well-known research specialist, included Wincor Nixdorf on its coverage list. Thus, the number of analysts monitoring Wincor Nixdorf and commenting on its performance rose to 21.

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

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

The Board of Directors and Investor Relations team presented the Company's business model at a number of investor conferences and roadshows in Germany, the United Kingdom and the United States and met up with several institutional investors. Among the key events were the Cheuvreux German Corporate Conference on January 16, 2007, in Frankfurt am Main, the Small and MidCap Day hosted by WestLB, Deutsche Börse and DVFA on March 19, 2007, as part of the CeBIT in Hanover, as well as the Pan European Small & Mid Cap Conference organized by Deutsche Bank on March 22, 2007, in London.

An analysts' conference call was organized for the announcement of Wincor Nixdorf's Q1 2006/2007 results. Coinciding with the annual "Wincor World" in-house exhibition in Paderborn, the Company organized the "3rd Wincor Nixdorf Investors' Day" on January 31, 2007, which included an extensive range of information for investors and analysts.

## **OUTLOOK.**

For the remainder of the fiscal year, Wincor Nixdorf anticipates that the world economy will develop in a manner that is conducive to business performance. In parallel, the retail banking and retail sectors are likely to be dominated by continuing evolution.

Given the favorable situation as a whole and the extremely solid business performance in the first half, the Company is confident that it will be able to exceed the annual growth target of 6% for net sales and 8% for EBITA. The Company has thus revised upward its forecast for net sales to +9% and for EBITA to +15%.

Within this context, Wincor Nixdorf anticipates that business growth will return to a more normal level in the second half. Thus, the Banking segment will no longer benefit to such a great extent from large-scale rollouts as was the case in the first two quarters. The Retail segment reveals a basis effect in relation to the preceding year. This is mainly attributable to the significant capital expenditure on reverse vending systems in Germany during the previous year.

## CONSOLIDATED STATEMENT OF INCOME

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	2nd quarter 2007 <sup>1)</sup>	2nd quarter 2006 <sup>2)</sup>	6 months 2007 <sup>3)</sup>	6 months 2006 <sup>4)</sup>
<b>Net sales</b>	<b>536,851</b>	<b>454,983</b>	<b>1,085,402</b>	<b>943,152</b>
Cost of sales	-389,987	-327,782	-795,340	-687,663
<b>Gross profit</b>	<b>146,864</b>	<b>127,201</b>	<b>290,062</b>	<b>255,489</b>
Research and development expenses	-24,312	-21,086	-45,834	-40,581
Selling, general and administration expenses	-82,438	-76,441	-161,725	-152,480
Other operating result	0	1,719	0	1,723
<b>Net profit on operating activities</b>	<b>40,114</b>	<b>31,393</b>	<b>82,503</b>	<b>64,151</b>
Finance income	619	448	5,364	940
Finance costs	-3,338	-2,785	-10,549	-7,254
<b>Profit before taxes</b>	<b>37,395</b>	<b>29,056</b>	<b>77,318</b>	<b>57,837</b>
Income Taxes	-13,479	-11,037	-27,836	-21,989
<b>Profit for the period</b>	<b>23,916</b>	<b>18,019</b>	<b>49,482</b>	<b>35,848</b>
Profit attributable to minority interest	58	-20	393	-360
Profit attributable to equity holders of Wincor Nixdorf AG	23,858	18,039	49,089	36,208
<b>Shares for calculation of basic earnings per share (in thousands)</b>	<b>32,756</b>	<b>33,085</b>	<b>32,919</b>	<b>33,085</b>
<b>Shares for calculation of diluted earnings per share (in thousands)</b>	<b>32,893</b>	<b>33,364</b>	<b>33,043</b>	<b>33,314</b>
<b>Basic earnings per share (€)</b>	<b>0.73</b>	<b>0.55</b>	<b>1.49</b>	<b>1.09</b>
<b>Diluted earnings per share (€)</b>	<b>0.73</b>	<b>0.54</b>	<b>1.49</b>	<b>1.09</b>
<b>Profit attributable to equity holders of Wincor Nixdorf AG</b>	<b>23,858</b>	<b>18,039</b>	<b>49,089</b>	<b>36,208</b>
Amortization product know-how	3,807	5,245	7,614	11,030
Calculated tax effect	-1,485	-2,046	-2,969	-4,302
<b>Profit attributable to equity holders of Wincor Nixdorf AG before carve-out</b>	<b>26,180</b>	<b>21,238</b>	<b>53,734</b>	<b>42,936</b>
<b>Shares for calculation of basic profit attributable to equity holders of Wincor Nixdorf AG before carve-out per share (managerial, in thousands)</b>	<b>33,085</b>	<b>33,085</b>	<b>33,085</b>	<b>33,085</b>
<b>Profit attributable to equity holders of Wincor Nixdorf AG before carve-out per share (in €)</b>	<b>0.79</b>	<b>0.64</b>	<b>1.62</b>	<b>1.30</b>

<sup>1)</sup> January 1, 2007 - March 31, 2007<sup>2)</sup> January 1, 2006 - March 31, 2006<sup>3)</sup> October 1, 2006 - March 31, 2007<sup>4)</sup> October 1, 2005 - March 31, 2006

## GROUP BALANCE SHEET

### Assets

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	March 31, 2007		September 30, 2006	
<b>Non-current assets</b>				
Intangible assets	376,002		383,646	
Property, plant and equipment	107,497		104,066	
Investments	1,034		1,047	
Reworkable service parts	18,468		15,710	
Trade receivables	4,592		5,301	
Other assets	2,909		3,131	
Deferred tax assets	11,637	522,139	10,786	523,687
<b>Current assets</b>				
Inventories	289,779		312,756	
Trade receivables	265,005		262,572	
Receivables from related companies	49		25	
Income tax assets	3,822		2,458	
Other assets	53,654		50,374	
Financial assets	19		26	
Cash and cash equivalents	28,683	641,011	9,604	637,815
<b>Total assets</b>		<b>1,163,150</b>		<b>1,161,502</b>

### Equity and Liabilities

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	March 31, 2007		September 30, 2006	
<b>Equity</b>				
Equity attributable to equity holders of Wincor Nixdorf AG	249,601		269,819	
Minority interest	5,409	255,010	4,926	274,745
<b>Non-current liabilities</b>				
Accruals for pensions and similar commitments	22,539		19,961	
Other accruals	29,828		27,050	
Financial liabilities	165,527		192,477	
Trade payables	10		1,702	
Other liabilities	17		193	
Deferred tax liabilities	11,436	229,357	12,842	254,225
<b>Current liabilities</b>				
Other accruals	156,473		139,620	
Financial liabilities	29,444		16,873	
Advances received on orders	51,515		76,368	
Trade payables	239,157		211,708	
Liabilities to related companies	0		611	
Income tax liabilities	38,367		21,329	
Other liabilities	163,827	678,783	166,023	632,532
<b>Total equity and liabilities</b>		<b>1,163,150</b>		<b>1,161,502</b>

## GROUP CASH FLOW STATEMENT

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	6 months 2007 <sup>1)</sup>	6 months 2006 <sup>2)</sup>
<b>EBITA</b> <sup>3)</sup>	<b>90,117</b>	<b>75,181</b>
Amortization/depreciation of property rights, licenses and property, plant and equipment	19,670	16,740
Write-down of reworkable service parts	2,474	405
<b>EBITDA</b> <sup>3)</sup>	<b>112,261</b>	<b>92,326</b>
Interest paid	-3,564	-1,864
Income taxes paid	-15,965	-16,658
Gain on disposal of intangible assets and property, plant and equipment	-118	-293
Increase in accruals	19,214	37,285
Other non-cash expenses, less other non-cash income	1,069	924
Decrease in working capital	48,338	26,775
Increase in other assets and other liabilities	-30,624	-30,344
<b>Cash flow from operating activities</b>	<b>130,611</b>	<b>108,151</b>
Payments received from the disposal of property, plant and equipment	239	451
Payments received from the disposal of investments	20	29
Payments made for investment in intangible assets	-4,499	-1,916
Payments made for investment in property, plant and equipment	-16,776	-16,085
Payments made for acquisition of consolidated affiliated companies and other business units	-2,003	-453
Payments made for investment in reworkable service parts	-5,232	0
<b>Cash flow from investment activities</b>	<b>-28,251</b>	<b>-17,974</b>
Payments made to equity holders	-45,853	-34,739
Payments made for repayment of financial loans	-26,097	-37,000
Payments received from minority interest	120	0
Payments made to minority interest and other distributions	0	-578
Payments made for repurchase of own shares	-23,565	0
Payments made/received due to special items	-466	4,889
<b>Cash flow from financing activities</b>	<b>-95,861</b>	<b>-67,428</b>
<b>Change in liquidity</b>	<b>6,499</b>	<b>22,749</b>
Change in cash and cash equivalents from exchange rate movements	-35	209
Cash and cash equivalents at beginning of period	-5,982	-1,185
<b>Cash and cash equivalents at end of period</b>	<b>482</b>	<b>21,773</b>

<sup>1)</sup> October 1, 2006 - March 31, 2007

<sup>2)</sup> October 1, 2005 - March 31, 2006

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

## CHANGES IN EQUITY

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	Equity attributable to equity holders of Wincor Nixdorf AG						Minority interest	Equity
	Subscribed capital	Add. paid-in capital	Retained earnings	Revaluation reserves	Treasury shares	Total		
<b>As of October 1, 2005</b>	<b>16,542</b>	<b>169,136</b>	<b>46,134</b>	<b>-4,179</b>	<b>0</b>	<b>227,633</b>	<b>6,140</b>	<b>233,773</b>
Fair value cash flow hedges and securities	0	0	0	3,324	0	3,324	0	3,324
Share options	0	543	0	0	0	543	0	543
Exchange rate changes	0	0	-1,031	0	0	-1,031	0	-1,031
Other changes	0	0	-19	0	0	-19	0	-19
<b>Net income recognized directly in equity</b>	<b>0</b>	<b>543</b>	<b>-1,050</b>	<b>3,324</b>	<b>0</b>	<b>2,817</b>	<b>0</b>	<b>2,817</b>
Profit for the period	0	0	36,208	0	0	36,208	-360	35,848
<b>Total recognized income and expense for the period</b>	<b>0</b>	<b>543</b>	<b>35,158</b>	<b>3,324</b>	<b>0</b>	<b>39,025</b>	<b>-360</b>	<b>38,665</b>
Takeover of shares	0	0	0	0	0	0	-2,430	-2,430
Distributions	0	0	-34,919	0	0	-34,919	0	-34,919
<b>As of March 31, 2006</b>	<b>16,542</b>	<b>169,679</b>	<b>46,373</b>	<b>-855</b>	<b>0</b>	<b>231,739</b>	<b>3,350</b>	<b>235,089</b>
<b>As of October 1, 2006</b>	<b>16,542</b>	<b>124,458</b>	<b>128,512</b>	<b>307</b>	<b>0</b>	<b>269,819</b>	<b>4,926</b>	<b>274,745</b>
Fair value cash flow hedges and securities	0	0	0	1,806	0	1,806	0	1,806
Share options	0	838	0	0	0	838	0	838
Exchange rate changes	0	0	-1,096	0	0	-1,096	0	-1,096
Other changes	0	-311	-1,051	0	0	-1,362	0	-1,362
<b>Net income recognized directly in equity</b>	<b>0</b>	<b>527</b>	<b>-2,147</b>	<b>1,806</b>	<b>0</b>	<b>186</b>	<b>0</b>	<b>186</b>
Profit for the period	0	0	49,089	0	0	49,089	393	49,482
<b>Total recognized income and expense for the period</b>	<b>0</b>	<b>527</b>	<b>46,942</b>	<b>1,806</b>	<b>0</b>	<b>49,275</b>	<b>393</b>	<b>49,668</b>
Capital increase by using Company reserves	16,543	-16,543	0	0	0	0	0	0
Changes in treasury shares	0	0	0	0	-23,565	-23,565	0	-23,565
Takeover of shares	0	0	0	0	0	0	90	90
Distributions	0	0	-45,928	0	0	-45,928	0	-45,928
<b>As of March 31, 2007</b>	<b>33,085</b>	<b>108,442</b>	<b>129,526</b>	<b>2,113</b>	<b>-23,565</b>	<b>249,601</b>	<b>5,409</b>	<b>255,010</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) as adopted by the European Union.

The first-time application of the standards, interpretations and amendments becoming initially effective and binding in fiscal year 2006/2007 had no significant influence on the Group interim report of Wincor Nixdorf AG as of March 31, 2007.

Besides the same principles of consolidation, accounting and valuation and calculation methods apply to this interim report, which was compiled in accordance with the requirements of IAS 34 "Interim Financial Reporting", as were used in the Group financial statements as of September 30, 2006. The applied methods of accounting and valuation are described in detail in the Notes to the Group financial statements as of September 30, 2006.

### CONSOLIDATION GROUP.

In addition to the parent company Wincor Nixdorf AG, the Group financial statements to March 31, 2007, 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.

### GROUP EQUITY.

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

**Subscribed Capital.** At the Annual General Meeting of Shareholders on January 29, 2007, the Wincor Nixdorf shareholders passed a resolution for the Company's capital stock to be doubled through the issuance of new shares from €16,542,494.00 (divided into 16,542,494 ordinary shares) to €33,084,988.00 (divided into 33,084,988 ordinary shares). The capital increase came into effect upon entry in the Commercial Register on March 14, 2007. The issuance of new shares (bonus shares) took place on March 22, 2007.

**Treasury Shares.** On December 20, 2006, the Board of Directors of Wincor Nixdorf AG passed a resolution for the repurchase of up to 166,390 of the Company's shares (constituting up to 1.01% of the capital stock on December 20, 2006) via the stock exchange. The resolution is based on the corresponding authorization issued by the Annual General Meeting of Shareholders for the repurchase of own equity instruments in an amount of up to 10% of capital stock. The purchase price per share (excluding ancillary costs of acquisition) shall deviate by no more than 5% in either direction from the average share price at the closing auction of XETRA trading on the Frankfurt Stock Exchange for the final ten trading days prior to the purchase of the shares. The repurchased shares are to be used for the purpose of settling obligations arising from share options already issued or to be issued to members of Board of Directors, other managers or staff members. Between December 20, 2006, and January 12, 2007, 166,390 shares were bought at an average price of €117.05. The acquisition costs, including ancillary costs of acquisition, amounting to €19,495k were deducted in full from equity. Due to the issuance of bonus shares, the number of shares has doubled to 332,780 without having an effect on the acquisition costs.

On March 14, 2007, the Board of Directors of Wincor Nixdorf AG passed a resolution for the repurchase, as from March 15, 2007, of up to 185,000 of the Company's shares via the stock exchange. In doing so, the Board of Directors availed itself of the authorization granted by the Annual General Meeting of Shareholders on January 29, 2007. Due to the capital increase through issuance of new shares in a ratio of 1:1, as also approved at the Annual Meeting of Shareholders, the number of shares to be repurchased will rise to 370,000. The purchase price per share (excluding ancillary costs of acquisition) shall deviate by no more than 5% in either direction from the average share price at the closing auction of XETRA trading on the Frankfurt Stock Exchange for the final ten trading days prior to the purchase of the shares. The repurchased shares are to be used for the purpose of settling obligations arising from share options already issued or to be issued to members of Board of Directors, other managers or staff members. As of March 31, 2007, the number of treasury shares held by the Company was 63,448 which were repurchased due to this program. The acquisition costs, including ancillary costs of acquisition, amounting to €4,070k were deducted in full from equity.

As of March 31, 2007, the total number of treasury shares held by the Company was 396,228. The acquisition costs, including ancillary costs of acquisition, amounting to €23,565k were deducted in full from equity.

**Share-based Payment Program.** As of February 27, 2007 Wincor Nixdorf granted 237,240 share options for an exercise price of €138.79 under another share-based payment program to its managers (share-based payment program 2007). Due to the capital increase, the number of share options has doubled to 474,480, while the exercise price has been halved to €69.40. The vesting period of the share options is two years. Each share option entitles the bearer to purchase one share in the company at the exercise price (strike price). There is no limit to the profit which can accrue upon purchase. The strike

price in each instance corresponds to 110% of the value at the outset; it takes account of distributions made during the life of the options, such as dividend payments and any drawing rights or other special rights. The target criteria are not subsequently lowered during the life of the program. In order to sign up to acquire, and later exercise, share options employees must make a separate private investment in Company shares at a ratio of 1:10 (shares : share options), and such shares must be held by them for the entire holding period of two years. The share option must be exercised within ten days after the end of the vesting period. The Company is entitled to settle the options either in shares or cash. Basically, the holder of the option has to remain in the Company's employ until the end of the vesting period.

The fair value of the option of €8.88 (after capital increase) has been calculated by the application of the Black-Scholes-Merton formula by an external expert. The following inputs have been used (after capital increase):

Exercise price of the option	€69.40
Expected volatility	28.0%
Option life	2 years
Expected dividend	€3.40
Risk-free interest rate	4.0%
Fluctuation of employees	3.6%

Expected volatility complies with the 2-years historic volatility of the Wincor Nixdorf share.

The changes in the composition of share options are as follows (share-based payment program 2004, 2005, 2006 and 2007):

	6 months 2007		6 months 2006	
	Share options number	Average exercise price €	Share options number	Average exercise price €
As of October 1	684,280	46.25	775,500	27.98
Granted during the period	474,480	69.40	333,780	58.51
Expired during the period	7,000	46.54	0	0.00
As of March 31	1,151,760	55.78	1,109,280	37.17
Exercisable as of March 31	347,000	34.57	0	0.00

In accordance with the requirements of the respective share-based payment programs, the capital increase resulted in a doubling of the number of share options and a halving of the exercise price. The comparative figures reported for the period from October 1, 2005 to March 31, 2006 have been adjusted. Share options which expired in the period from October 1, 2006 to March 31, 2007 relate solely to staff members. The share-based payment programs 2004, 2005 and 2006 are described in detail in the Notes to the Group financial statements as of September 30, 2006.

**Dividend Distribution.** On January 29, 2007, the Annual General Meeting of Shareholders of Wincor Nixdorf AG passed a resolution in favor of the proposed dividend payment of €2.80 per share for fiscal 2005/2006. The total dividend payment amounted of €45,853,091.20.

**SEGMENT REPORT.****Segment Report by Division**

k€

	2nd quarter 2007			6 months 2007		
	Banking	Retail	Group	Banking	Retail	Group
Net sales to external customers	349,571	187,280	536,851	697,987	387,415	1,085,402
	(277,196)	(177,787)	(454,983)	(567,596)	(375,556)	(943,152)
Operating profit (EBITA) <sup>1)</sup>	34,200	9,721	43,921	69,390	20,727	90,117
	(27,481)	(9,157)	(36,638)	(56,367)	(18,814)	(75,181)
Investments in property rights, licenses and property, plant and equipment	10,491	1,611	12,102	20,960	3,615	24,575
	(9,380)	(1,954)	(11,334)	(14,391)	(3,610)	(18,001)
Investments in reworkable service parts	911	23	934	4,306	926	5,232
	(0)	(0)	(0)	(0)	(0)	(0)
Amortization/depreciation of property rights, licenses and property, plant and equipment	8,345	2,022	10,367	15,666	4,004	19,670
	(6,310)	(2,377)	(8,687)	(12,138)	(4,602)	(16,740)
Write-down of reworkable service parts	646	69	715	2,036	438	2,474
	(165)	(38)	(203)	(324)	(81)	(405)
Research & development expenses	16,610	7,702	24,312	30,123	15,711	45,834
	(12,248)	(8,838)	(21,086)	(24,498)	(16,083)	(40,581)

<sup>1)</sup> After elimination of profit charges arising from the carve-out (further information under "Effect of Profit Charges arising from the Carve-out.")

Comparative figures for the period from January 1, 2006 to March 31, 2006 and from October 1, 2005 to March 31, 2006 are given in parentheses.

**Reconciliation of Segment Profit to Group Profit**

k€

	2nd quarter		6 months	
	2007	2006	2007	2006
<b>Operating Profit (EBITA)</b>	<b>43,921</b>	<b>36,638</b>	<b>90,117</b>	<b>75,181</b>
Goodwill amortization	0	0	0	0
<b>Operating profit (EBIT)</b>	<b>43,921</b>	<b>36,638</b>	<b>90,117</b>	<b>75,181</b>
Profit charges arising from the carve-out	-3,807	-5,245	-7,614	-11,030
Finance income and finance costs	-2,719	-2,337	-5,185	-6,314
<b>Profit before taxes</b>	<b>37,395</b>	<b>29,056</b>	<b>77,318</b>	<b>57,837</b>
Income taxes	-13,479	-11,037	-27,836	-21,989
<b>Profit for the period</b>	<b>23,916</b>	<b>18,019</b>	<b>49,482</b>	<b>35,848</b>

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

**Net Sales by Regions**

k€

	2nd quarter		6 months	
	2007	2006	2007	2006
<b>Germany</b>	<b>140,836</b>	<b>129,842</b>	<b>286,109</b>	<b>253,446</b>
in % of total net sales	26.2	28.5	26.4	26.9
<b>Europe (w/o Germany)</b>	<b>290,183</b>	<b>230,630</b>	<b>580,567</b>	<b>496,046</b>
in % of total net sales	54.1	50.7	53.5	52.6
<b>America</b>	<b>37,738</b>	<b>31,092</b>	<b>80,250</b>	<b>70,329</b>
in % of total net sales	7.0	6.8	7.4	7.4
<b>Asia/Pacific/Africa</b>	<b>68,094</b>	<b>63,419</b>	<b>138,476</b>	<b>123,331</b>
in % of total net sales	12.7	14.0	12.7	13.1
<b>Total</b>	<b>536,851</b>	<b>454,983</b>	<b>1,085,402</b>	<b>943,152</b>

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

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

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

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

	6 months 2007	6 months 2006
Amortization of product know-how	<b>7,614</b>	<b>11,030</b>

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

k€

	6 months 2007	6 months 2006
<b>Net sales</b>	<b>1,085,402</b>	<b>943,152</b>
Cost of sales	-787,726	-676,633
<b>Gross profit</b>	<b>297,676</b>	<b>266,519</b>
Research and development expenses	-45,834	-40,581
Selling, general and administration expenses	-161,725	-152,480
Other operating result	0	1,723
<b>Operating profit (EBIT)</b>	<b>90,117</b>	<b>75,181</b>
Goodwill amortization	0	0
<b>EBITA</b>	<b>90,117</b>	<b>75,181</b>
Amortization/depreciation of property rights, licenses and property, plant and equipment and write-down of reworkable service parts	22,144	17,145
<b>EBITDA</b>	<b>112,261</b>	<b>92,326</b>

## 2006/2007 FINANCIAL CALENDAR\*

July 24, 2007

2006/2007 nine-month interim report

October 25, 2007

Announcement of preliminary full-year results for 2006/2007

December 11, 2007

Publication of 2006/2007 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

State-of-the-art image processing for checks and banknotes. Delivering innovative automation and self-service solutions that cover the full range of processes associated with bank branch operations is one of the core elements of Wincor Nixdorf's corporate strategy within its Product business. The company's "Intelligent Deposit" portfolio includes systems equipped with so-called Cash/Check Deposit Modules (CCDM), which are designed to accept cash and checks, verify their authenticity and process the amounts in question. By transferring check processing and cash deposit operations from banking staff to automated systems, banks can rein back costs by a considerable degree, while also streamlining the entire process. Customers no longer have to complete specific forms when making deposits, and the time required to credit the amount is greatly reduced.

The systems are capable of accepting up to 50 checks or, alternatively, up to 50 banknotes. The amount specified on the check is identified and displayed on screen for verification by the customer. On request, the system will then provide a receipt with images of the deposited checks and other relevant transaction data. Even intricately designed checks can be processed. CCDMs are of particular significance in countries in which check-based payments are widespread, such as the United States.

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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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