



- ▶ Consistent partnership between the Board of Directors and the Supervisory Board remains unaffected by new top-level appointments
- ▶ Wincor Nixdorf pushes for further transparency, promotes compliance program and optimizes risk management
- ▶ Detailed report on compensation structures for the Board of Directors and the Supervisory Board

CORPORATE GOVERNANCE INCLUDING COMPENSATION REPORT.

At Wincor Nixdorf, responsible, transparent business management and control centered on the creation of sustained added value is considered an essential basis for commercial success. Indeed, corporate governance has been an integral element of management for many years. The Board of Directors and the Supervisory Board have issued the statutory statement of compliance in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG), stating that, with three exceptions, Wincor Nixdorf complies with all recommendations of the German Corporate Governance Code. Adherence to this Code is monitored by the Board of Directors and the Supervisory Board. Issued annually, the statement of compliance is permanently available to all shareholders on the Internet at www.wincor-nixdorf.com under the heading of Investor Relations.

Close Collaboration between Board of Directors and Supervisory Board. A relationship based on close collaboration and mutual trust exists between the Board of Directors and the members of the Supervisory Board. The Board of Directors reports regularly to the Supervisory Board

on the progress of business activities. There is also an ongoing and constructive dialog concerning strategy, corporate planning and company profitability. For further details, please refer to the Supervisory Board report.

The Supervisory Board convened five scheduled meetings in the fiscal year under review. In addition, it held two extraordinary meetings during this period. The report prepared by the Supervisory Board contains further details of board meetings convened over the course of the fiscal year. The Supervisory Board has established four committees: a Mediation Committee, pursuant to Section 27 (3) of the German Corporate Codetermination Act (Mitbestimmungsgesetz – MitbestG); a Personnel Committee, dealing with staff issues that pertain to the Board of Directors; a Nomination Committee, responsible for preparing the candidate proposals put forward by the Supervisory Board to the Annual General Meeting for the subsequent Supervisory Board elections; and an Audit Committee. No conflicts of interest arose among members of the Board of Directors and members of the Supervisory Board. For further details of the company's boards, please refer to "Statutory Company Boards" in the notes to the Group financial statements.

TRANSPARENCY, COMPLIANCE AND RISK MANAGEMENT.

Internal and External Transparency. Wincor Nixdorf is committed to providing comprehensive, continuous and prompt information when interacting with the company's shareholders. As regards the Annual General Meeting of Shareholders (AGM) on January 28, 2008, we will again appoint a proxy vote representative so that shareholders not attending the AGM can be given the opportunity to exercise their voting rights. Shareholders will be able to issue their instructions via the Internet prior to the AGM.

Operating as a global enterprise, Wincor Nixdorf's success within its business activities is, in large part, attributable to the Company's policy of social and ethical responsibility and adherence to applicable laws as a basis for all activities worldwide.

In order to remain fully focused on our future success, we have set on an extensive compliance program for the purpose of guiding and aligning the company. This also incorporates specific values and standards of behavior embraced by Wincor Nixdorf, which have been outlined in a specially formulated Code of Conduct as an essential element of Wincor Nixdorf's compliance program. The Code of Conduct defines standards for good and responsible corporate governance and documents the fundamental principles of social responsibility to be applied by all Wincor Nixdorf employees worldwide.

With a view to ensuring prompt and open communication with the public, we provide detailed documents and information on our website. This includes AGM information, financial reports, current ad hoc announcements and press releases. Our Internet content also includes the company's articles of association, the Code of Conduct and information on Directors' Dealings.

We have adopted an Insider Dealing Directive that is aimed at preventing insider dealing by company employees. The employees and Board members named on the Insider List are prohibited from undertaking transactions in Wincor Nixdorf shares or related financial instruments during certain blocking periods, prior and subsequent to the publication of quarterly and annual results.

The Board of Directors and the Supervisory Board hold, either directly or indirectly, shares or options in Wincor Nixdorf AG equivalent to more than 1% of subscribed capital. Together, the four members of the Board of Directors hold 1.3% and the members of the Supervisory Board 0.3% of subscribed capital.

Details of Directors' Dealings pursuant to Section 15a of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) can be downloaded from the company's website, Investor Relations section.

A list of all third-party entities in which Wincor Nixdorf AG holds an interest deemed to be not of minor significance has been included in the annual financial statements of Wincor Nixdorf AG. The annual financial statements of Wincor Nixdorf AG have been published, among other places, on the corporate website.

Compensation Report. The information contained within the compensation report forms an integral part of the Group management report. Therefore, the notes to the Group financial statements include no additional presentation of details discussed as part of the compensation report.

The compensation report outlines the key principles applied when determining remuneration levels for the Board of Directors of Wincor Nixdorf AG. It also presents the structure and extent of compensation for the Board of Directors. In addition, it describes the principles and extent of Supervisory Board compensation.

The compensation report has been prepared in conformity with the recommendations of the German Corporate Governance Code (in the version of June 14, 2007) and includes information which, in accordance with the requirements of German commercial law, amended by the Act on the Disclosure of Management Board Compensation (Gesetz über die Offenlegung der Vorstandsvergütungen – VorstOG) of August 3, 2006, forms an integral part of the notes to the Group financial statements pursuant to Section 314 of the German Commercial Code (Handelsgesetzbuch – HGB) and the Group management report pursuant to Section 315 HGB.

System of Compensation for the Board of Directors. The Personnel Committee of the Supervisory Board of Wincor Nixdorf AG is responsible for determining the structure and extent of remuneration payable to members of the Board of Directors.

The compensation of members of the Board of Directors of Wincor Nixdorf AG is determined on the basis of the company's size and global presence, its economic and financial situation as well as the level and structure of management board compensation offered by similar companies based in Germany and abroad. In addition, the duties and the contribution of the respective members of the Board of Directors are taken into account. The level of compensation is designed to be competitive within the market for highly qualified executives and to provide incentives for a successful labor within a high-performance environment.

The remuneration of the Board of Directors is focused on performance and comprises the four components described below:

1. Fixed basic salary plus fringe benefits
2. Variable compensation (bonus) dependent on the attainment of specific targets (performance-based component)

3. Share-based compensation (long-term incentive component) and
4. Pension commitment.

Within this context, the fixed basic salary, the fringe benefits and the pension commitment represent non-performance-based components. The fixed basic salary is payable in monthly installments of equal amounts. The fringe benefits mainly comprise contributions made to accident and liability insurance policies as well as the provision of a company car. Additionally, all members of the Board of Directors of Wincor Nixdorf AG are entitled to retirement benefits, as described in detail in the section entitled "Pension Commitments".

Variable, performance-based compensation payable in the form of a bonus is dependent on the attainment of specific targets defined within the respective employment contracts. These targets are set on the basis of EBITDA (earnings before interest, taxes, depreciation and amortization) and Group net profit. Each target receives the same weighting and will be settled separately. If the agreed budget per target is met in full (100%), the member of the Board of Directors receives 100% of his/her annual fixed basic salary as a bonus. If he/she falls short of the agreed budget by a maximum of 20%, the bonus is reduced on a straight-line basis. If the specified targets are met to an extent equivalent to 80%, the member of the Board of Directors receives 25% of the agreed bonus. If the level of target attainment remains below 80% with regard to one of the two targets, the entitlement to a bonus payment is no longer applicable; in this case, the Supervisory Board must decide, as in duty bound, on the granting of a bonus and the possible extent of such a bonus. If the level of target attainment reaches 120%, the associated bonus rises to 175% of the applicable fixed basic salary of the Board member in question. In accordance with contractual requirements, variable compensation may be equivalent to a maximum of 200%

of the respective fixed annual basic salary. All targets are focused on increasing enterprise value. The targets to be applied as a basis of calculation for the bonus amounts payable for fiscal 2006/2007, were defined at the Supervisory Board meeting of September 19, 2006. The bonus is payable in December, following adoption of the Group financial statements by the Supervisory Board.

Members of the Board of Directors receive share options as a form of compensation with a long-term incentive effect. The number of share options to be issued to each member of the Board of Directors is specified as part of an individual contractual agreement. The conditions of exercise for share options granted to the Board of Directors are identical to the

conditions of exercise specified for other entitled persons. For a detailed description of the company's share-based payment programs, please refer to [16](#) in the notes to the Group financial statements.

The fixed basic salary and the variable compensation are used as the basis for determining so-called annual target remuneration. Annual target remuneration is specified for the entire term of the contract.

The non-performance-based and performance-based components of compensation are itemized below and relate to all duties performed by the members of the Board of Directors within the Group:

| | Components of compensation | | | Total |
|---------------------------------|----------------------------|-------------------|---------------------|---------------------|
| | Non performance-based | | Performance-based | |
| | Fixed basic salary | Fringe benefits | | |
| Karl-Heinz Stiller ¹ | 750,000.00 | 9,763.63 | 375,000.00 | 1,134,763.63 |
| Eckard Heidloff ² | 533,333.33 | 24,834.03 | 825,000.00 | 1,383,167.36 |
| Stefan Auerbach | 400,000.00 | 26,151.39 | 600,000.00 | 1,026,151.39 |
| Jürgen Wilde | 275,000.00 | 47,184.89 | 412,500.00 | 734,684.89 |
| Dr. Jürgen Wunram ³ | 233,333.33 | 10,983.05 | 350,000.00 | 594,316.38 |
| Total | 2,191,666.66 | 118,916.99 | 2,562,500.00 | 4,873,083.65 |

¹In coordination with the Supervisory Board, Karl-Heinz Stiller stepped down from the post of President & CEO and member of the Board of Directors of Wincor Nixdorf AG, effective from the close of the AGM on January 29, 2007, and was elected to the Supervisory Board of Wincor Nixdorf AG as a successor to Johannes P. Huth.

²Eckard Heidloff was appointed as President & CEO of Wincor Nixdorf AG, effective from January 29, 2007, thereby succeeding Karl-Heinz Stiller on the Board of Directors.

³Dr. Jürgen Wunram was appointed as a member of the Board of Directors of Wincor Nixdorf AG, effective from March 1, 2007.

In coordination with the Supervisory Board, Karl-Heinz Stiller stepped down as President & CEO and member of the Board of Directors, effective from the close of the Annual General Meeting of Shareholders on January 29, 2007, and was elected

by the Annual General Meeting of Shareholders on January 29, 2007, as the successor to Johannes P. Huth on the Supervisory Board of Wincor Nixdorf AG. In consideration of his early withdrawal from the Board of Directors, as coordinated

with the Supervisory Board, and the termination of his contractual agreement as a member of Board of Directors, which had an original term until April 30, 2009, Mr. Stiller received a one-off payment of €500,000, which has been presented as a component of fixed basic salary in the table of compensation. In addition, an agreement was concluded whereby Mr. Stiller shall be entitled to exercise the options received as part of the share-based payment programs of 2005 and 2006 (in each case 15,000 options, after stock split), subject to the

other conditions of the programs once the two-year lock-up period specified for each program has elapsed.

Share-based Compensation (Component with Long-term Incentive Effect). As regards the 2007 share-based payment program implemented in the fiscal year under review, the applicable quantities and monetary values of share options at the date of grant have been presented in the following table:

| | Share-based payment program 2007 | | | Share-based payment program 2006 |
|--------------------|----------------------------------|-------------------------------|--|----------------------------------|
| | Quantity ¹ | Value per option ² | Total value of compensation component with long-term incentive effect ² | Quantity ¹ |
| Karl-Heinz Stiller | 0 | – | – | 15,000 |
| Eckard Heidloff | 60,000 | 8.88 | 532,800.00 | 15,000 |
| Stefan Auerbach | 30,000 | 8.88 | 266,400.00 | 15,000 |
| Jürgen Wilde | 15,000 | 8.88 | 133,200.00 | 15,000 |
| Dr. Jürgen Wunram | 44,000 | 8.88 | 390,720.00 | 0 |
| Total | 149,000 | – | 1,323,120.00 | 60,000 |

¹⁾Quantity after stock split.

²⁾In €, at date of grant.

The share options attributable to the 2006 and 2007 share-based payment programs are not exercisable as at September 30, 2007. Within the framework of the 2005 share-based payment program, Mr. Karl-Heinz Stiller and Mr. Eckard Heidloff each exercised 15,000 and Mr. Stefan Auerbach 10,000 of the share options held by the aforementioned members of the Board of Directors at the beginning of the fiscal year under review. The settlement of the share options was executed in the form of a cash payment. The cash settlement was calculated on the basis of an average share price of

€69.51. There are no other share options attributable to the 2005 share-based payment program.

The total value of the share options at the date of granting was determined by means of the Black-Scholes-Merton options pricing model. Thus, the reported value of share-based compensation is merely to be seen as an amount derived from mathematical calculations. Whether the share-based compensation components associated with the current 2006 and 2007 programs result in a payment, and if so, to what extent, will depend on the future performance of the company's share

price and the future stock market price applicable at the date of exercise.

The personnel expenses recognized in connection with the 2005, 2006 and 2007 share-based payment programs can be distributed among the Board members as follows:

| | |
|--------------------|-----------------|
| Karl-Heinz Stiller | €49,563 |
| Eckard Heidloff | €193,763 |
| Stefan Auerbach | €118,267 |
| Jürgen Wilde | €75,425 |
| Dr. Jürgen Wunram | €105,747 |
| | €542,765 |

Please refer to [16](#) in the notes to the Group financial statements for further details about the range of exercise prices, the remaining term of the respective options, the average exercise price of the share options and the average exercise price of the 2005 program during the exercise period, as well as the conditions of option grant and exercise associated with the share-based payment programs.

Pension Commitments. As part of the restructuring of its post-employment benefit system, Wincor Nixdorf AG converted part of its company pension scheme from annuity to one-time pay-off or installment payouts in the third quarter

of fiscal 2005/2006. Thus, the retirement benefit systems implemented for Eckard Heidloff and Stefan Auerbach were converted accordingly. The retirement benefit system for Dr. Jürgen Wunram is also based on one-time pay-off or installment payments. No changes were made to the retirement benefit systems implemented for Jürgen Wilde and Karl-Heinz Stiller, as both gentlemen had already completed their 57th birthdays at the date of conversion and had availed themselves of their right not to choose the conversion of their retirement benefits. As regards the retirement benefits awarded to Eckard Heidloff, the company has, in addition, obliged itself to pay premiums of €100,000 per annum as the policyholder of life insurance. At the end of the insurance contract, the amount is to be transferred on a pro-rata basis to the retirement capital, i.e., the total endowment sum. The respective members of the Board of Directors are entitled to the pension payments from the age of 60. However, should a member remain on the Board of Directors in an active capacity beyond this period, the receipt of retirement benefits shall only be possible as from the end of his/her employment contract as a member of the Board of Directors.

The pension benefits awarded to members of the Board of Directors at the balance sheet date and the allocations made to retirement accruals in the period under review are as follows:

| | Pensions | | Retirement capital | |
|-------------------|--|---|------------------------------|--------------------------------|
| | Annual amount upon occurrence of retirement (as of Sept. 30, 2007) | Allocation to pension accruals during fiscal year | Total (as of Sept. 30, 2007) | Allocations during fiscal year |
| Eckard Heidloff | – | – | 259,918 | 26,082 |
| Stefan Auerbach | – | – | 367,446 | 50,000 |
| Jürgen Wilde | 29,769 | – | – | – |
| Dr. Jürgen Wunram | – | – | 116,667 | 83,333 |
| Total | 29,769 | – | 744,031 | 159,415 |

€

The table outlines the annual pension and/or one-time pay-off entitlements that members of the Board of Directors would receive from the age of 60, on the basis of the entitlements accumulated up to September 30, 2007, as well as the entitlement acquired in fiscal 2006/2007 that was allocated to pension accruals. In the event that the respective members continue to hold a position on the Board of Directors, the actual pensions and/or one-time pay-off benefits will be higher than those presented in the table, particularly as a result of future financing contributions. The allocations to retirement capital, i.e., the total endowment sum, for Eckard Heidloff, Stefan Auerbach and Dr. Jürgen Wunram (until now on a pro-rata basis), as listed in the table, will occur in the same amount in subsequent years until the end of the respective contracts for the members of the Board of Directors and will bear interest of 3.5% per annum.

Miscellaneous. There were no loan arrangements with members of the Board of Directors in fiscal 2006/2007. Furthermore, no benefits of a similar nature were granted.

The contracts for the Board of Directors contain the following provisions relating to severance payments in the event of contract termination, resignation or removal:

- Insofar as a member of the Board of Directors resigns from his/her post for no important reason, he/she shall receive no fixed basic salary and no bonus as from the resignation coming into force until the end of his/her contract.
- Insofar as a member of the Board of Directors resigns from his post for an important reason in accordance with Section 626 of the German Civil Code (Bürgerliches Gesetzbuch – BGB), he/she shall receive his/her specified fixed basic salary, without a bonus, as from this date to the end of his/her contract.

- Insofar as a member of the Board of Directors is removed for an important reason as defined by Section 84 (3) of the German Stock Corporation Act (Aktengesetz – AktG), he/she shall receive his/her specified fixed basic salary, without a bonus, as from this date until the end of his/her contract. Bonus entitlements already vested up to the date of removal shall continue to be valid.

- If a contract of service pertaining to the Board of Directors is terminated, with or without a period of notice, for an important reason as defined by Section 626 BGB, the Board member in question shall receive no bonus for the current fiscal year nor any bonus for a special period of grace possibly agreed between the parties.

In the event of permanent incapacity to perform his/her duties, a member of the Board of Directors shall continue to receive his/her fixed basic salary in monthly installments for a period of up to 18 months; additionally, bonus entitlements shall be paid for six months up to the onset of the illness or the incapacity to the extent that the targets are attained.

The members of the Board of Directors receive no compensation for positions held within Group entities.

The contracts for the Board of Directors do not contain any provisions concerning the termination of the contract in the event of a change of control.

Remuneration of Former Members of the Board of Directors.

In fiscal 2006/2007, the emoluments received by former members of the Board of Directors and their surviving dependents amounted to €51k in total (2005/2006: €0k). Accruals in the amount of €1,338k (2005/2006: €0k) have been recognized in connection with pension obligations towards former members of the Board of Directors and their surviving dependents.

System of Compensation for the Supervisory Board.

Supervisory Board compensation is determined on the basis of the size of the enterprise, the duties and responsibilities of the Supervisory Board members and the economic situation of the company. The provisions relating to Supervisory Board compensation are specified in Section 12 of the Articles of Association of Wincor Nixdorf AG, which was most recently amended on the basis of a resolution passed by the Annual General Meeting of Shareholders on January 29, 2007, and came into force upon entry in the Commercial Register on March 14, 2007. According to these provisions, the members of the Supervisory Board, receive a fixed amount of €30,000 as annual compensation, payable after the end of the fiscal year. In the case of the Chairperson of the Supervisory Board compensation is equivalent to three times the annual amount (prior to March 14, 2007: twice the amount), and in the case of his/her deputy one and a half times the annual

amount mentioned above. The Chairperson of the Audit Committee also receives one and a half times the annual amount of compensation. Members of the Supervisory Board whose appointment to the board or occupation of one of the above-mentioned functions are limited to part of the fiscal year shall receive proportionate compensation for each month commenced. In addition to annual compensation, the members of the Supervisory Board receive an attendance allowance of €3,000 per day for meetings convened by the Supervisory Board and the committee to which they are appointed. If a meeting of the Supervisory Board attended by the member coincides with a meeting of one of the Supervisory Board's committees, the attendance allowance is paid for only one such meeting.

The remuneration of individual members of the Supervisory Board of Wincor Nixdorf AG is presented in the following table:

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| Name | Annual compensation | Attendance allowances | Total |
|---|---------------------|-----------------------|-------------------|
| Karl-Heinz Stiller (Chairman, since January 29, 2007) | 56,583.34 | 15,000.00 | 71,583.34 |
| Johannes P. Huth (Chairman, until January 29, 2007) | 20,000.00 | 6,000.00 | 26,000.00 |
| Manfred Feierabend* (Deputy Chairman) | 45,000.00 | 21,000.00 | 66,000.00 |
| Hero Brahms (Chairman of Audit Committee) | 45,000.00 | 21,000.00 | 66,000.00 |
| Dr. Alexander Dibelius | 30,000.00 | 15,000.00 | 45,000.00 |
| Walter Gunz | 30,000.00 | 18,000.00 | 48,000.00 |
| Volker Kotnig* | 30,000.00 | 18,000.00 | 48,000.00 |
| Prof. Dr. rer. nat. Walter Kröll | 30,000.00 | 18,000.00 | 48,000.00 |
| Thomas Meilwes* | 30,000.00 | 18,000.00 | 48,000.00 |
| Dr. Bernhard Motzko* | 30,000.00 | 18,000.00 | 48,000.00 |
| Michael Schild* | 30,000.00 | 18,000.00 | 48,000.00 |
| Franz Tölle* | 30,000.00 | 18,000.00 | 48,000.00 |
| Prof. Dr. Harald Wiedmann | 30,000.00 | 18,000.00 | 48,000.00 |
| Total | 436,583.34 | 222,000.00 | 658,583.34 |

*Employee Representative.

Risk Management System for Value-led Management of Company Affairs. Responsible corporate governance is dependent on a properly functioning risk management system. The risk management system implemented by Wincor Nixdorf is geared toward meeting the practical requirements of our business. It is designed to highlight risks at an early stage and to help avoid or limit them where they occur. Further details are provided in the section entitled Risk Report.

EXCEPTIONS TO THE CORPORATE GOVERNANCE CODE.

Under Section 161 of the German Stock Corporation Act, the Board of Directors and the Supervisory Board of exchange-listed companies are obliged to issue a declaration each year stating that the recommendations of the "Code of the Government Commission on German Corporate Governance" published by the German Federal Ministry of Justice in the official section of the Federal Gazette (electronic version), have been met. This declaration must also specify which recommendations have not been applied.

Three Exceptions to the Corporate Governance Code. In accordance with Section 161 of the German Stock Corporation Act, the Board of Directors and the Supervisory Board issued a new declaration of compliance on November 27, 2007.

Since its last declaration of compliance on November 30, 2006, Wincor Nixdorf AG has complied with the recommendations of the German Corporate Governance Code, in the version dated June 12, 2006, and with the recommendations of the revised version of the Code, which came into force on June 14, 2007, with the exception of the following three departures:

- 1. The D&O insurance policy agreed by Wincor Nixdorf AG for its Board of Directors and Supervisory Board does not feature a policy excess (Section 3.8 Paragraph 2 GCGC).** The D&O insurance policy agreed by Wincor Nixdorf for the Board of Directors and the Supervisory Board does not include a policy excess. The D&O insurance is in place for a significant number of management staff across the entire Wincor Nixdorf Group, at home and abroad, including members of the company's boards. For this reason, it does not appear proper to differentiate between Board members on the one hand, and other management staff on the other. A policy excess is not customary outside Germany.
- 2. In setting the level of remuneration paid to members of the Supervisory Board, no account is taken of chairmanship of any committee other than the Audit Committee, and of membership of any of the Supervisory Board committees (Section 5.4.7 Paragraph 1 Sentence 3 GCGC).** Remuneration for mere membership of a committee is deemed unnecessary. As regards the activities of the Supervisory Board, practice has shown that the vast majority of committee meetings are scheduled to coincide closely with

meetings of the Supervisory Board itself. Chairmanship of the Audit Committee is remunerated separately due to the additional time and effort required by the role.

3. Members of the Supervisory Board are not paid any performance-related remuneration in addition to their fixed emoluments (Section 5.4.7 Paragraph 2 Sentence 1 GCGC). The company has decided to monitor the development of relevant case law in order to establish a firm foundation for appropriate arrangements within this area. It would appear that legal debate concerning this issue has yet to be concluded, as evidenced by court rulings in recent years regarding the prohibition of share options for Supervisory Board members.

Furthermore, Wincor Nixdorf AG will, in future, comply with the recommendations of the "Code of the Government Commission on German Corporate Governance" in the version dated June 14, 2007, with the exception of the departures listed below. For further explanations, please refer to the previous sections:

1. The D&O insurance policy agreed by Wincor Nixdorf AG for its Board of Directors and Supervisory Board does not feature a policy excess (Section 3.8 Paragraph 2 GCGC).

2. In setting the level of remuneration paid to members of the Supervisory Board, no account is taken of chairmanship of any committee other than the Audit Committee, and of membership of any of the Supervisory Board committees (Section 5.4.7 Paragraph 1 Sentence 3 GCGC).

3. Members of the Supervisory Board are not paid any performance-related remuneration in addition to their fixed emoluments (Section 5.4.7 Paragraph 2 Sentence 1 GCGC).

Audit of Group Financial Statements by KPMG.

The Group financial statements of Wincor Nixdorf AG for the fiscal year ended September 30, 2007, have been prepared in accordance with all International Financial Reporting Standards (IFRS) binding in the European Union for the fiscal year 2006/2007. Additionally, the statutory requirements according to section 315a (1) of the German Commercial Code have been considered. The Group financial statements have been audited by KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft.