

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2006/2007.

Segment Report by Division¹.

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| | Banking | Retail | Group |
|--|--------------------------|----------------------|---------------------------------|
| Net sales to external customers | 1,357,897 (1,177,690) | 786,666 (769,879) | 2,144,563 (1,947,569) |
| Operating profit (EBITA) ² | 141,572 (119,781) | 44,329 (41,036) | 185,901 (160,817) |
| Segment assets | 481,490 (432,834) | 285,589 (288,053) | 767,079 (720,887) |
| Segment liabilities | 223,456 (192,690) | 137,601 (172,635) | 361,057 (365,325) |
| Investment in property rights, licenses and property, plant and equipment | 43,912 (38,702) | 11,197 (10,831) | 55,109 (49,533) |
| Investment in reworkable service parts | 4,519 (4,806) | 1,033 (1,201) | 5,552 (6,007) |
| Amortization/depreciation of property rights, licenses and property, plant and equipment | 33,377 (26,800) | 8,841 (10,104) | 42,218 (36,904) |
| Write-down of reworkable service parts | 3,994 (4,219) | 913 (1,055) | 4,907 (5,274) |
| Research and development expenses | 65,193 (56,905) | 31,376 (30,532) | 96,569 (87,437) |

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

¹⁾ For further explanations, see Note [28](#).

²⁾ After elimination of profit charges arising from the carve-out, see Note [29](#).

Segment Report by Market Geography¹.

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| | Europe ² | Included in Europe: Germany | Asia/ Pacific/ Africa | America | Group |
|---|--------------------------|-----------------------------------|-----------------------------|----------------------|---------------------------------|
| Net sales to external customers | 1,700,141 (1,560,643) | 571,555 (569,280) | 277,473 (231,754) | 166,949 (155,172) | 2,144,563 (1,947,569) |
| Segment assets | 591,324 (569,005) | 295,290 (269,621) | 126,715 (111,606) | 49,040 (40,276) | 767,079 (720,887) |
| Investment in property rights, licenses and property, plant and equipment | 49,448 (44,519) | 41,780 (37,053) | 3,221 (769) | 2,440 (4,245) | 55,109 (49,533) |
| Investment in reworkable service parts | 5,552 (6,007) | 5,552 (6,007) | 0 (0) | 0 (0) | 5,552 (6,007) |

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

¹⁾ For further explanations, see Note [28](#).

²⁾ Last year's figures were adjusted due to alteration of segmentation, see Note [28](#).

GENERAL INFORMATION.

The Wincor Nixdorf Group (in the following "Wincor Nixdorf" or the "Group") was de-merged from Siemens Group by means of a leveraged buy-out on October 1, 1999. The ultimate parent company is Wincor Nixdorf AG located in Paderborn, Germany. The company is registered at the local court office in Paderborn, Germany. The stock of Wincor Nixdorf is listed on the Frankfurt Stock Exchange in the Prime Standard segment and is part of the M-DAX. The Group's fiscal year commences on October 1 and ends on September 30 of the subsequent calendar year.

Wincor Nixdorf is one of the world's leading providers of IT solutions to retailers and retail banks. Our extensive portfolio is aimed at optimizing business processes within bank branches and retail outlets. This is essentially about reducing complexity and cost, and improving service to the end customer.

Wincor Nixdorf is represented in over 90 countries around the world and has its own subsidiary companies in 36 of these. Major business geographies are Germany and Europe; however, the Group also operates in America, Africa and Asia. The Group's main production facilities are located in Paderborn and Ilmenau (Germany), Singapore and Shanghai (China). Research and development locations are Germany, Switzerland, Singapore and China.

The hardware proposition of the Banking segment essentially includes cash systems (cash-in, cash-out, recycling and deposit systems) as well as non-cash products like bank terminals, self-service terminals for non-bank environments as well as receipt and document printers. With the software ProClassic Wincor Nixdorf offers banks standard software for all self-service systems. The software ProClassic/Enterprise can take the form of an application that supports and speeds up advisory processes by allowing requests for the approval of transactions to be made via e-mail functions, even during the actual dialog with the customer (Front Office/TOP counter/checkout solutions). Furthermore, the Banking segment offers

product-related services. In the year under review, the outsourcing business expanded and the outsourcing concept was updated.

Through its Retail segment, Wincor Nixdorf provides products, solutions and services covering the entire value added chain in the retail industry. Key elements of the Group's proposition include in-store solutions, such as programmable ePOS systems of the BEETLE/EPOS system group as well as self-checkout and reverse vending systems. The branch software TP.net allows the control of all systems within the branch centrally and the operation of an extremely wide range of checkout concepts. NAMOS is the Wincor Nixdorf branch solution for international gas station networks. The Retail segment also offers services like IT and business consulting, the emphasis being on SAP applications. Moreover, the Services proposition was expanded with the new store opening concept. This concept involved preparing the entire IT infrastructure ready for the opening and operation of a new market.

Our consulting operations performed well in the period under review. In this segment we offer IT and business consulting in selected countries, the emphasis being on SAP applications.

The functional and reporting currency of Wincor Nixdorf AG is the euro (€). The Group financial statements are set up in euros since this is the currency in which the majority of the Group's transactions are carried out. Reported figures are shown in thousands of euros (€k).

On November 22, 2007, the Board of Directors of Wincor Nixdorf AG released the Group financial statements for the purpose of forwarding them to the Supervisory Board. The Supervisory Board is responsible for assessing the Group financial statements and specifying whether it is in a position to issue an approval of the Group financial statements.

Use of International Financial Reporting Standards (IFRS). The Group financial statements of Wincor Nixdorf AG as of September 30, 2007, have been prepared in accordance with all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations of the International Financial Reporting Interpretations Committee/Standing Interpretations Committee (IFRIC/SIC) 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.

In fiscal 2006/2007, Wincor Nixdorf AG has applied the following standards, interpretations and amendments for the first time:

Amendments to IAS 19 "Employee Benefits" (to be applied for periods beginning on or after January 1, 2006)

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" (to be applied for periods beginning on or after January 1, 2006)

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" (to be applied for periods beginning on or after January 1, 2006)

IFRIC 4 "Determining whether an Arrangement Contains a Lease" (to be applied for periods beginning on or after January 1, 2006)

IFRIC 6 "Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment" (to be applied for periods beginning on or after December 1, 2005)

IFRIC 7 "Applying the Restatement Approach under IAS 29" (to be applied for periods beginning on or after March 1, 2006)

IFRIC 8 "Scope of IFRS 2" (to be applied for periods beginning on or after May 1, 2006)

The first-time application of the standards, interpretations and amendments has no material effects on the Group financial statements of Wincor Nixdorf AG as of September 30, 2007.

In addition, the following standards, interpretations and amendments have been released by the IASB and adopted by the European Union until September 30, 2007; however, they are not yet applicable for the Group financial statements of Wincor Nixdorf AG in fiscal 2006/2007:

Amendments to IAS 1 "Presentation of Financial Statements" (to be applied for periods beginning on or after January 1, 2007)

IFRS 7 "Financial Instruments: Disclosures" (to be applied for periods beginning on or after January 1, 2007)

IFRIC 10 "Interim Financial Reporting and Impairment" (to be applied for periods beginning on or after November 1, 2006)

IFRIC 11 "IFRS 2: Group and Treasury Share Transactions" (to be applied for periods beginning on or after March 1, 2007)

We intend to consider the standards, interpretations and amendments in our Group financial statements in the fiscal year in which they have to be applied, according to the guidelines of the European Union. We do not expect any material effects on the Group financial statements of Wincor Nixdorf AG at the moment of first-time application. The first-time application of IFRS 7 will affect the nature and modality of financial instruments disclosures in the financial statements, but not the recognition or measurements of the instruments.

METHODS OF CONSOLIDATION.

Consolidation Group. The Group financial statements include those companies in which Wincor Nixdorf AG directly or indirectly has a majority of the voting rights (subsidiaries), or from which it is able to derive the greater part of the economic benefit and bears the greater part of the risk by virtue of its power to govern corporate financial and operating policies. Inclusion of such companies' accounts in the Group financial statements begins when Wincor Nixdorf AG starts to exercise control over the company, and ceases when it is no longer able to do so.

In fiscal 2006/2007, changes as a result of new foundations were as follows:

- Wincor Nixdorf Finance Malta Holding Limited, St. Julians, Malta, subscribed capital of €35,020k
- Wincor Nixdorf Finance Malta Limited, St. Julians, Malta, subscribed capital of €35,000k
- WINCOR NIXDORF LLC, Moscow, Russia, subscribed capital of RUB 84,019k (€2,377k).

In fiscal 2006/2007, Wincor Nixdorf Finance B.V., Amsterdam, Netherlands, was liquidated and deconsolidated.

As a result, the consolidation group at the year-end was made up of 63 companies, including Wincor Nixdorf AG, Paderborn.

In January 2007, managers acquired 1% of shares in Wincor Nixdorf Services N.V., Zaventem, Belgium. Wincor Nixdorf acquired the total of still-outstanding shares in the amount of 44.5% with purchase contracts dated on September 20, 2007, for a purchase price in the amount of €8,009k. The corresponding equity as of September 20, 2007, amounted to €3,601k. The difference of €4,408k was charged directly against equity.

Consolidation Principles. The Group financial statements are based on the annual accounts of companies forming part of the Group, such accounts having been compiled under uniform Group rules as of September 30, 2007, and, for the comparative period, as of September 30, 2006, duly audited and approved by KPMG. By departure from this, we have used audited interim accounts in respect of three companies, as local statutory requirements dictate that these companies have fiscal years ending December 31.

Capital consolidation was carried out using the purchase method in accordance with IFRS 3 for all acquisitions after October 1, 2003. The approach of quoting shares in the affiliated companies at their book value in the parent company is replaced by the assets at their settlement value and the debts of the consolidated companies. In this way, subsidiary companies' equity is compared with the book value of the shares held by the parent company.

Goodwill arising from initial consolidation is no longer amortized on a scheduled basis since October 1, 2003. Moreover, goodwill is tested for impairment annually or if an indication for impairment exists, and if applicable, an impairment loss is recorded.

The interests in subsidiary companies, which are not attributable to the parent company, are shown within Group equity as "minority interest". Other shareholders' interests are calculated on the basis of the book values of the assets and liabilities attributable to them.

Mutual receivables and payables between companies included in the consolidated accounts are offset against each other. Intra-Group income and expenses are consolidated without effect on profit. Inter-company profits arising from intra-Group delivery of goods and services are eliminated with a corresponding effect on profit. Deferred taxes are applied on consolidation transactions which have an effect on profit.

Currency Translation. In the individual annual accounts prepared in local currency, foreign currency transactions are recorded at the exchange rates applicable at the time of the transactions. Monetary items in foreign currency (cash and cash equivalents, receivables and payables) are valued at the mid exchange rate on the balance sheet date. The exchange rate profits or losses arising from the valuation or transaction of monetary items are shown in the Group income statement. Non-monetary items are recorded using historical exchange rates.

Annual accounts prepared in foreign currencies have been converted into euro (€) using the functional currency method, in accordance with IAS 21. The functional currency is the currency in which a foreign entity primary operates or settles payments. As Wincor Nixdorf Group companies undertake business dealings financially, economically and organizationally independently, the functional currency is, in general, identical with the local currency. However, in the case of Wincor Nixdorf C.A., Venezuela, Wincor Nixdorf Pte. Ltd., Singapore, Wincor Nixdorf S.A. de C.V., Mexico City, Mexico, and Wincor Nixdorf IT Support S.A. de C.V., Mexico City, Mexico, the US dollar and in the case of Wincor Nixdorf Bilgisayar Sistemleri A.S., Ayazaga, Turkey, the euro is used as the functional currency, since these currencies influence the purchase and sales prices for goods and services of the foreign entities.

Balance sheet items, including goodwill, are converted at the mid exchange rate applicable on the balance sheet date, and income and expenses in the Group income statement are converted using average exchange rates (annual averages). The variance arising from conversion is offset against shareholders' equity without affecting profit. Currency differences that result from comparison to last year's currency conversion are also charged against equity without affecting profit.

The foreign exchange rates of the significant currencies for the Wincor Nixdorf Group have developed as follows:

| 1 € = | ISO-Code | Average rate | | Closing rate | |
|----------------|----------|--------------|-----------|----------------|----------------|
| | | 2006/2007 | 2005/2006 | Sept. 30, 2007 | Sept. 30, 2006 |
| Swiss franc | CHF | 1.6294 | 1.5653 | 1.6601 | 1.5881 |
| Pound sterling | GBP | 0.6764 | 0.6844 | 0.6968 | 0.6777 |
| US dollar | USD | 1.3392 | 1.2340 | 1.4179 | 1.2660 |

Accounting and Valuation Principles. The Group financial statements are prepared on the basis of accounting and valuation policies that are applied uniformly throughout the Group. Accounting and valuation principles have been retained unchanged compared to the previous year.

Assets and liabilities have been valued at historical acquisition/production cost, with the exception of equity investments, securities classified as "available-for-sale" and "held for trading" and derivatives, which have been included at their fair value.

Assumptions and Estimations. In compiling the Group financial statements, assumptions have been made and estimates used, which have affected the value and reporting of capitalized assets and liabilities, of income and expenditure and of contingent liabilities. The assumptions and estimates mainly relate to the Group-wide setting of standard economic utilization periods of fixed asset items, to the valuation of inventories, to assumptions for the valuation of pension obligations, to capitalization and valuation of other accruals and also to the ability of future tax benefits to be realized. The

actual values may vary in individual instances from the assumptions and estimates made. Changes are incorporated, with a corresponding effect on profit, once improved knowledge is obtained.

Intangible Assets. Intangible assets are accounted for at cost and, as the useful lives are, with the exception of goodwill, finite, amortized in a scheduled manner in equal annual amounts over the relevant utilization period. Intangible assets are written down if there are indications of impairment (see "Impairment") and if the recoverable amount is lower than amortized costs. The write-downs are reversed with effect on profit, if the reasons for the impairment losses no longer apply, to the maximum of amortized costs.

The amortization period for commercial patents, licenses and product know-how is a maximum of ten years. The remaining useful life of the product know-how is about one year.

In the Group income statement, product know-how amortization is shown under cost of sales. The amortization of other intangible assets is included in the Group income statement under the various functional cost headings (cost of sales, research and development expenses, selling, general and administration expenses).

According to IFRS 3, goodwill is not amortized on a scheduled basis, only if a need for impairment loss exists. A recorded impairment loss on goodwill may not be reversed in subsequent periods.

Property, Plant and Equipment. Property, plant and equipment are valued at cost of acquisition or production, less scheduled depreciation and impairment losses. Items of property, plant and equipment are written down if there are indications of impairment (see "Impairment") and the recoverable amount is less than amortized costs. The write-downs are reversed if the reasons for the impairment losses no longer apply, to the maximum of amortized costs.

The cost of acquisition comprises the acquisition price, ancillary costs and subsequent acquisition costs, less any reduction received on the acquisition price. Production costs include direct costs as well as proportionate indirect costs.

Business and factory premises are amortized over a maximum of 50 years, plant and machinery over an average of ten years, other fixed assets and office equipment mainly over five years and products leased to customers as per the terms of the relevant contract. Property, plant and equipment are mainly depreciated using the straight-line method, in accordance with economic utilization. Plant and machinery and other fixed assets and office equipment used in the production process are written down using front-loaded depreciation rates as a result of multi-shift operations. If parts of single assets have different useful lives, they are separately depreciated on a scheduled basis.

The depreciation of the fiscal year as well as impairment losses are included in the Group income statement under the various functional cost headings (cost of sales, research and development expenses, selling, general and administration expenses).

Impairment. With the exception of inventories (see "Re-workable service parts and current inventories"), deferred tax assets (see "Taxes") as well as financial assets (investments, receivables and other assets as well as derivatives), the book values of assets held by the Wincor Nixdorf Group are checked on the balance sheet date to see whether there are indicators favoring impairment. Where such indicators exist, the settlement value of the assets (recoverable amount) is estimated and devaluation is made with a corresponding charge to the Group income statement.

According to IAS 36, goodwill is tested for impairment annually, or if an indication for impairment exists by the execution of an impairment test. In doing so, the book value of a cash generating unit is compared with the recoverable amount. The recoverable amount of a cash generating unit is the greater of the two figures fair value less costs to sell and value in use. If the recoverable amount of a cash generating unit is lower than its book value, a goodwill impairment loss is recorded in the amount of the difference. In the case of Wincor Nixdorf, the recoverable amount equals the value in use, which is determined by the discounted cash flow method. The basis for the determination of future cash flows are data from the detailed Group planning for the periods until 2009/2010, with subsequent transition to perpetuity. The assumptive continual growth of 1 to 2% for perpetuity complies with the general expectation of the business development. The present value of cash flows is calculated by discounting the free cash flows, with an interest rate before taxes between 7 and 10% resembling the referring rate of return of the business units. As of September 30, 2007, no impairment is necessary.

The Retail and Banking business carved out of the Siemens Group as of October 1, 1999, is separated in three cash generating units according to regional segmentation. The relevant goodwill is fully assigned to the cash generating unit "Carve-out Europe". All of the following acquisitions are treated individually as independent business units (cash generating units) according to IFRS 3/IAS 36. The book values of material goodwill allocated to cash generating units "Carve-out Europe" and "France" amount to €292,044k (2005/2006: €291,690k) and €22,331k (2005/2006: €22,241k), respectively.

Leasing. Wincor Nixdorf Group offers leasing of banking machines to external customers. According to IAS 17 "Leases", such leasing arrangements predominantly qualify as operating leases. Arrangements that qualify as finance leases are presented at the present value of future minimum lease payments under trade receivables. In addition, the details of certain contracts, such as company vehicle leases, result in the reporting of liabilities arising from finance leases. Assets leased within the scope of finance lease contracts are capitalized at the date of acquisition, either at fair value or at the present value of the minimum lease payments if this is less than the fair value. Liabilities arising from finance leases are shown under financial liabilities and stated at the present value of the minimum lease payments.

Financial Assets and Liabilities. Financial assets comprise acquired equity and debt instruments, receivables, cash and cash equivalents and derivative financial instruments with a positive market value. Financial liabilities comprise primary financial liabilities and negative market values of derivative financial instruments.

Financial assets are recognized if Wincor Nixdorf has a contractual right to receive cash or another financial asset from another party. Financial liabilities are recognized if Wincor Nixdorf has a contractual obligation to transfer cash or other financial assets to another party.

Financial assets are de-recognized when the contractual rights to receive the cash flows from the financial assets expire, or the financial assets are transferred, together with all material risks and rewards. Financial liabilities are de-recognized when the contractual obligation is discharged, cancelled or expired.

Investments. In accordance with IAS 39 "Financial Instruments: Recognition and Measurement" investments are considered to be financial assets. They are carried at fair value. Subsequent measurement of recognized loans to employees occurs on the basis of amortized cost, as these items classify as »loans and receivables«. The theoretical maximum payment risk of investments thereby corresponds to book values.

Receivables and Other Assets. Receivables and other assets are valued at nominal value or at amortized costs. Provisions for bad debts are considered if an indication for a default in payment exists. The amounts are estimated on the basis of past experience. The expenses are recorded in profit and loss under the functional cost headings. The theoretical maximum remaining payment risk thereby corresponds to book values.

Cash and Cash Equivalents. Cash and cash equivalents include marketable securities as well as cash in hand and cash at bank (including checks).

According to IAS 39 securities are financial assets that can contain securities classified as "held for trading", "available-for-sale" and "held-to-maturity". Securities classified as "held for trading" are valued at fair value. In order to determine the fair value of marketable securities at the balance sheet date, respective quotations of banks are obtained as well as market prices of trading systems have been used. Changes in value of the securities classified as "held for trading" are recorded in finance income and finance costs. Changes in securities classified as "available-for-sale" are recorded in the revaluation reserve within equity under consideration of deferred tax effects. At the selling date, realized gains or losses are recorded in finance income or finance costs. Purchases and sales of securities are accounted for with the settlement price at trade date.

Liquid funds are accounted for at par value. Foreign currency stocks are valued at their mid-price on the balance sheet date.

Accruals and Liabilities. Pension accruals in respect of employees' and pensioners' pension entitlements are created using actuarial principles and biometric data corresponding to the Projected Unit Credit method. This method takes account not only of known pensions and known earned future pension entitlements at the balance sheet date, but also of expected future increases in pensions and salaries having estimated the relevant influencing factors. Under this system, actuarial gains and losses are reported immediately in the relevant year's net profit. Pension-like commitments are valued along the same lines.

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", accruals are created on the balance sheet in respect of legal or actual obligations resulting from past events where the outflow of funds to settle such obligations is probable and can be estimated reliably. The values used for such accruals are based on the best estimate. Accruals are only recognized for legal or actual obligations to third parties. Where required, accruals are stated net of unaccrued interest.

Liabilities are shown basically at amortized costs.

Derivatives. Wincor Nixdorf uses derivatives to limit existing interest rate fluctuation risks arising from financing and exchange rate risks of the Group. No derivatives are held for trading purposes. Nevertheless, derivatives not meeting the requirements for cash flow hedge accounting are valued as trading instruments.

Derivative transactions are accounted for at acquisition cost at the trading date. They are then capitalized at a later date at their fair values. Resultant profits or losses flow through to profit for the period in question where the requirements for cash flow hedge accounting are not met. If hedging relationships are effective, the amounts of profit are under consideration of deferred tax effects credited (and losses charged) to equity, with no effect on accounting profit. The reclassification from equity to Group income statement takes place when the hedged item is recognized in income, or is no longer expected to occur.

Reworkable Service Parts and Current Inventories. Reworkable service parts and current inventories are valued at purchase or production cost, or at lower net realizable value.

The purchase cost of reworkable service parts, raw materials, supplies and merchandise is calculated using the average valuation method.

In accordance with IAS 2 "Inventories" pro-rata material costs and production overheads (assuming normal utilization), including depreciation on production equipment and production-related social security costs, are included along with production material and production wages in the production cost of reworkable service parts, finished and unfinished products. Interest on loan capital is not capitalized.

Write-downs for inventory risks are undertaken to an appropriate and adequate extent. Lower net realizable values are used where required.

As of the balance sheet date, there were no substantial orders that would require capitalization in accordance with IAS 11 "Construction Contracts".

Public Sector Assistance. Public sector financial assistance is reflected in our accounts in accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" only where there is reasonable certainty of the associated conditions being met and the assistance provided. Assistance is reported as income, in effect, simultaneously offsetting the expenses for which the assistance was provided. During the year, public sector assistance came to €851k (2005/2006: €950k) and is reported in the Group income statement under functional costs (cost of sales, research and development expenses and selling, general and administration expenses).

Net Sales. Net sales from the delivery of goods are recognized as soon as the entity has transferred to the customer the significant risks and rewards of ownership of the goods. Within this context, the entity retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold. The amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the enterprise.

Net sales from services are recognized when the service is rendered, insofar as the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the enterprise. In the case of maintenance agreements concluded for a period from one to five years, net sales are recognized on a straight-line basis.

Cost of Sales. The cost of sales includes costs of the sale of products and services as well as purchase costs of the sale of merchandise. In addition to direct material and production costs, the cost of sales comprises overheads, including the pro-rata consumption of fixed assets.

Research and Development Expenses. Under IAS 38, research expenses are not to be capitalized. Development expenses have to be capitalized only if certain precise preconditions are met. Under these rules, capitalization is required wherever the development activity will, with an adequate degree of probability, result in future cash inflows, which will cover the relevant development expenses in addition to normal costs. Moreover, certain criteria must also be met cumulatively, in terms of the product to be developed or the project or process to be developed.

These preconditions are not met in the Group, as the nature and dimension of characteristic research and development risks mean that the functional and commercial risk inherent in the products under development can, as a rule, only be estimated with sufficient reliability when

- development of the relevant products or processes has been completed, and
- post-development sales and marketing activities conducted during the pre-marketing stage (marketing and sale as a trial product) have proven that the products meet the technical and commercial requirements posed by the market.

Inside of Wincor Nixdorf Group, a major part of research and development expenses concerns enhancements and improvements of already existing products, which do not comply with the criteria of IAS 38 for separate capitalization.

Taxes. Taxes on income and profit comprise both ongoing and deferred taxes. Taxes are recorded in the Group income statement unless they refer to items directly recorded under shareholders' equity, in which case the corresponding taxes are also entered under shareholders' equity without any effect upon profit.

Ongoing taxes are taxes expected to be payable for the year, on the basis of tax rates valid in the year in question, plus any tax corrections for previous years.

Deferred taxes are reported in respect of temporary differences between the values, for tax purposes, of assets and liabilities and their values in the Group financial statements. By departure from this, no deferred taxes are reported in respect of goodwill, amortization of which is non-tax-deductible. In addition, deferred tax assets in respect of the future utilization of tax losses carried forward are shown. Deferred tax assets on temporary differences and tax losses carried forward are recognized to the extent that it is probable that sufficient taxable income will be available in order to use them. The deferred taxes are shown at the rates of tax that will be effective under applicable law at the time at which the temporary differences are predicted to turn around, or at which the tax losses carried forward can probably be used.

NOTES TO THE GROUP INCOME STATEMENT.

Structure of Accounts. The Group income statement is structured using the cost of sales method.

▶ **1 Net Sales.** Net sales are divided into those from the sale of products (€1,254,140k; 2005/2006: €1,157,202k) and those from the provision of services (€890,423k; 2005/2006: €790,367k) reduced by sales deductions.

▶ **2 Gross Profit on Sales.** Gross margin is 26.9% (2005/2006: 26.5%) of net sales. After adjusting for profit charges arising from the carve-out (see Note ▶ 29), the gross margin is 27.5% (2005/2006: 27.5%).

The currency gains and losses of –€1,872k (previous year –€6,999k) shown in the Group income statement are essentially comprised within the cost of sales.

▶ **3 Selling, General and Administration Expenses.** These mainly comprise personnel expenses and general costs in administrative departments, plus miscellaneous taxes.

▶ **4 Other Operating Income and Expenses.** Other operating expenses of fiscal 2006/2007, contain effects of deconsolidation of Wincor Nixdorf Finance B.V., Netherlands. Other operating income of the previous year includes excess amounts, recognized in profit or loss, of €2,435k, which are attributable to acquisitions executed during the fiscal year. In addition, this item mainly includes gains on the disposal of land and buildings in the amount of €1,990k.

► **5 Finance Income and Finance Costs.** Finance income and finance costs are comprised as follows:

| | €k | |
|---|----------------|----------------|
| | 2006/2007 | 2005/2006 |
| Income from securities and other income | 424 | 0 |
| Interest and similar income | 8,027 | 21,093 |
| Finance income | 8,451 | 21,093 |
| Interest and similar expenses | -17,423 | -28,658 |
| Interest element within additions to long-term accruals and other finance costs | -855 | -5,216 |
| Finance costs | -18,278 | -33,874 |
| | -9,827 | -12,781 |

During the year under review, interest expenses on long-term bank debt amounted to €6,974k (2005/2006: €4,973k). All borrowing costs have been immediately recognized as finance costs.

► **6 Income Taxes.**

| | €k | |
|------------------------------------|----------------|----------------|
| | 2006/2007 | 2005/2006 |
| Ongoing taxes on income and profit | -63,732 | -31,032 |
| Deferred tax income and expenses | 11,818 | -15,120 |
| | -51,914 | -46,152 |

The amounts shown above for ongoing taxes on income and profit relate, within Germany, to corporate income tax and municipal corporate income tax, plus proceeds from partial release of tax accruals made during the previous year and, in the case of foreign subsidiaries, income-related taxes calculated in accordance with the national tax legislation applicable to the individual companies.

Deferred taxes in the amount of €5,616k (2005/2006: €3,456k) have been recorded in equity without any effect on profit and loss. They result from the market valuation of the cash flow hedges and in the previous year from market valuation of the "available-for-sale" securities. The tax effect on the settlement of the share-based payment program 2005 in fiscal 2006/2007, of €3,880k has also been recognized directly in equity (2005/2006: €3,643k on the settlement of the share-based payment program 2004).

The deferred taxes are the result of time-related variances in reported values between the tax accounts of individual companies and the values of the Group financial statements, using the liability method, plus capitalization of tax losses capable of being carried forward. As of September 30, 2007, tax losses carried forward in the amount of €7,692k (2005/2006: €1,195k) have not been capitalized.

Any dividends payable in the future of Wincor Nixdorf AG will have no effect upon the Group's tax charges.

Actual tax expenses are €10,962k below those which would be expected to be arrived at through the application of the ultimate parent company's tax rate for distributions. Last year, actual tax proceeds were €3,770k below those which could have been expected.

Germany's business taxation reform, which was passed by the German Bundestag on May 24, 2007 and the German Bundesrat on July 6, 2007, will result in a decrease of business tax rates. Thus, as of September 30, 2007, all German deferred taxes were calculated in respect of temporary differences using a combined tax rate of rounded 30% (2005/2006: 39%). The reported value of all deferred taxes on tax losses carried forward was arrived at by using tax rates of 14.0% (2005/2006: 17.0%) for municipal corporate income tax and 16.0% (2005/2006: 26.375%) for corporation tax and solidarity tax. A deferred tax income of €3,217k arose from the reduction of deferred tax rate on temporary differences and tax losses carried forward in Germany.

The table below contains a reconciliation of expected net tax expenses with the actual reported tax:

| | €k | |
|--|----------------|----------------|
| | 2006/2007 | 2005/2006 |
| Group profit before tax | 161,220 | 128,005 |
| Expected tax expenses based on a rate of 39% (2005/2006: 39%) | -62,876 | -49,922 |
| Differences from expected tax expenses | | |
| Difference from local tax rates | 10,189 | 8,931 |
| Difference arising from change of deferred tax rate and income tax rate | 3,630 | -642 |
| Increases/decreases in tax due to tax-exempt income and non-tax-deductible expenses | -1,108 | -1,693 |
| Consolidation entries excl. deferred taxes or with differing tax rates | -132 | 580 |
| Corrections arising from tax audits and other effects | -746 | -2,818 |
| Valuation allowances on deferred tax assets capitalized for tax losses carried forward | -871 | -588 |
| Total adjustments | 10,962 | 3,770 |
| Actual tax expenses | -51,914 | -46,152 |

The effective tax rate is 32.2% (2005/2006: 36.1%).

The deferred tax assets and liabilities relate to the following balance sheet items:

| | Sept. 30, 2007 | | Sept. 30, 2006 | |
|--|---------------------|--------------------------|---------------------|--------------------------|
| | Deferred tax assets | Deferred tax liabilities | Deferred tax assets | Deferred tax liabilities |
| Intangible assets | 442 | 39,366 | 966 | 49,870 |
| Tangible assets | 1,238 | 1,529 | 1,277 | 1,907 |
| Financial assets | 0 | 424 | 4 | 0 |
| Inventories | 13,516 | 12,538 | 12,771 | 11,271 |
| Receivables and other current assets | 9,877 | 1,343 | 9,042 | 129 |
| Pension accruals | 11,637 | 531 | 20,084 | 547 |
| Other accruals | 21,201 | 314 | 11,427 | 145 |
| Liabilities | 10,997 | 6,593 | 5,732 | 6,336 |
| Losses carried forward | 5,314 | 0 | 6,846 | 0 |
| | 74,222 | 62,638 | 68,149 | 70,205 |
| Netting off of deferred tax assets and liabilities | -60,631 | -60,631 | -57,363 | -57,363 |
| | 13,591 | 2,007 | 10,786 | 12,842 |

▶ **7 Earnings per Share.** Earnings per share are calculated by dividing profit attributable to ordinary equity holders of Wincor Nixdorf AG by the weighted average of ordinary shares outstanding.

| | 2006/2007 | 2005/2006 |
|---|-------------|-------------|
| Profit attributable to the ordinary equity holders of Wincor Nixdorf AG (€k) | 108,036 | 81,008 |
| Number of shares outstanding as of October 1 (in thousands) | 33,085 | 33,085 |
| Number of shares outstanding as of September 30 (in thousands) | 32,382 | 33,085 |
| Weighted average number of shares outstanding (in thousands) | 32,746 | 33,085 |
| Basic earnings per share (€) | 3.30 | 2.45 |
| Number of potentially dilutive ordinary shares (in thousands) | 70 | 208 |
| Weighted average number of shares used to compute diluted earnings per share (in thousands) | 32,816 | 33,293 |
| Diluted earnings per share (€) | 3.29 | 2.43 |

In March 2007, Wincor Nixdorf AG doubled the company's subscribed capital 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). In accordance with IAS 33.64, the basic earnings per share and the diluted earnings per share for 2005/2006 were restated.

The weighted average number of shares was reduced compared to fiscal 2005/2006, as a result of the share buyback programs in fiscal 2006/2007, which are described under Note ▶ 16.

The dilutive effect results from the share-based payment programs, which are described as well under Note ▶ 16.

NOTES TO THE GROUP BALANCE SHEET.

8 Intangible Assets. Changes in intangible assets were as follows:

€k

| | Commercial patents and similar rights/licenses to such rights/items | Product know-how | Goodwill | Advances made | Total |
|---|---|------------------|----------------|---------------|----------------|
| Cost of acquisition or production | | | | | |
| B/F October 1, 2005 | 29,319 | 206,664 | 334,753 | 677 | 571,413 |
| Currency translation | -177 | 0 | -160 | 0 | -337 |
| Changes in consolidation group | 511 | 0 | 0 | 0 | 511 |
| Additions | 5,737 | 0 | 0 | 3,710 | 9,447 |
| Transfers | 871 | 0 | 0 | 0 | 871 |
| Disposals | -2,945 | 0 | -43 | 0 | -2,988 |
| September 30, 2006/B/F October 1, 2006 | 33,316 | 206,664 | 334,550 | 4,387 | 578,917 |
| Currency translation | -382 | 0 | -586 | -78 | -1,046 |
| Changes in consolidation group | 0 | 0 | -6 | 0 | -6 |
| Additions | 8,364 | 0 | 0 | 14 | 8,378 |
| Transfers | 4,018 | 0 | 0 | -4,290 | -272 |
| Disposals | -1,234 | 0 | 0 | 0 | -1,234 |
| September 30, 2007 | 44,082 | 206,664 | 333,958 | 33 | 584,737 |
| Amortization | | | | | |
| B/F October 1, 2005 | 12,594 | 154,853 | 3,166 | 0 | 170,613 |
| Currency translation | -59 | 0 | 0 | 0 | -59 |
| Changes in consolidation group | 0 | 0 | 0 | 0 | 0 |
| Amortization for the fiscal year | 7,316 | 17,047 | 0 | 0 | 24,363 |
| Impairment | 134 | 2,984 | 0 | 0 | 3,118 |
| Transfers | 0 | 0 | 0 | 0 | 0 |
| Disposals | -2,764 | 0 | 0 | 0 | -2,764 |
| September 30, 2006/B/F October 1, 2006 | 17,221 | 174,884 | 3,166 | 0 | 195,271 |
| Currency translation | -200 | 0 | 0 | 0 | -200 |
| Changes in consolidation group | 0 | 0 | -1 | 0 | -1 |
| Amortization for the fiscal year | 8,835 | 14,854 | 0 | 0 | 23,689 |
| Impairment | 0 | 0 | 0 | 0 | 0 |
| Transfers | -63 | 0 | 0 | 0 | -63 |
| Disposals | -1,234 | 0 | 0 | 0 | -1,234 |
| September 30, 2007 | 24,559 | 189,738 | 3,165 | 0 | 217,462 |
| Book values September 30, 2007 | 19,523 | 16,926 | 330,793 | 33 | 367,275 |
| Book values September 30, 2006 | 16,095 | 31,780 | 331,384 | 4,387 | 383,646 |

Intangible assets as of September 30, 2007, include product know-how of €16,926k (2005/2006: €31,780k) arising from the leveraged buy-out. The product know-how arising from the leveraged buy-out contains the acquired development services, valued on a historical cost basis, for products and solutions in the Retail and Banking segments.

During fiscal 2006/2007, the acquisition of commercial patents and licenses for outsourcing projects and own infrastructure resulted in additions of €8,364k (2005/2006: €5,737k).

9 **Property, Plant and Equipment.** Changes in property, plant and equipment were as follows:

€k

| | Land, buildings and other equivalent rights | Plant and machinery | Other fixed assets and office equipment | Products leased to customers | Advances made and equipment under construction | Total |
|---|---|---------------------|---|------------------------------|--|----------------|
| Cost of acquisition or production | | | | | | |
| B/F October 1, 2005 | 62,599 | 49,969 | 144,353 | 5,326 | 2,032 | 264,279 |
| Currency translation | -522 | -416 | -1,485 | -27 | -14 | -2,464 |
| Changes in consolidation group | 0 | 0 | 4,638 | 0 | 0 | 4,638 |
| Additions | 873 | 4,390 | 31,213 | 21 | 3,589 | 40,086 |
| Transfers | 56 | 380 | 592 | 0 | -1,899 | -871 |
| Disposals | -17,086 | -2,249 | -17,150 | -53 | 0 | -36,538 |
| September 30, 2006 / B/F October 1, 2006 | 45,920 | 52,074 | 162,161 | 5,267 | 3,708 | 269,130 |
| Currency translation | -1,080 | -907 | -3,440 | -49 | -83 | -5,559 |
| Changes in consolidation group | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions | 3,229 | 1,956 | 32,596 | 1,407 | 7,543 | 46,731 |
| Transfers | 1,312 | 300 | 1,854 | 0 | -3,194 | 272 |
| Disposals | -64 | -957 | -16,903 | -4,722 | 0 | -22,646 |
| September 30, 2007 | 49,317 | 52,466 | 176,268 | 1,903 | 7,974 | 287,928 |
| Depreciation | | | | | | |
| B/F October 1, 2005 | 14,063 | 39,250 | 99,424 | 5,204 | 0 | 157,941 |
| Currency translation | -193 | -326 | -1,298 | -27 | 0 | -1,844 |
| Changes in consolidation group | 0 | 0 | 120 | 0 | 0 | 120 |
| Depreciation for the fiscal year | 2,109 | 2,479 | 24,563 | 99 | 0 | 29,250 |
| Impairment | 0 | 3 | 201 | 0 | 0 | 204 |
| Transfers | 53 | 51 | -104 | 0 | 0 | 0 |
| Disposals | -3,558 | -2,197 | -14,807 | -45 | 0 | -20,607 |
| September 30, 2006 / B/F October 1, 2006 | 12,474 | 39,260 | 108,099 | 5,231 | 0 | 165,064 |
| Currency translation | -433 | -728 | -3,052 | -53 | 0 | -4,266 |
| Changes in consolidation group | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation for the fiscal year | 1,952 | 2,748 | 28,502 | 181 | 0 | 33,383 |
| Impairment | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers | 214 | 2 | -153 | 0 | 0 | 63 |
| Disposals | -27 | -934 | -15,656 | -4,710 | 0 | -21,327 |
| September 30, 2007 | 14,180 | 40,348 | 117,740 | 649 | 0 | 172,917 |
| Book values September 30, 2007 | 35,137 | 12,118 | 58,528 | 1,254 | 7,974 | 115,011 |
| Book values September 30, 2006 | 33,446 | 12,814 | 54,062 | 36 | 3,708 | 104,066 |

Additions to property, plant and equipment are valued at €46,731k (2005/2006: €40,086k), with large individual elements of this being other fixed assets and office equipment at €32,596k (essentially IT equipment and specialist tools), land, buildings and other equivalent rights at €3,229k and

equipment under construction at €7,543k, mainly the result of plants and specialist tools not yet finished.

The depreciation inclusive of impairment losses of €33,383k (2005/2006: €29,454k) is included in the Group income statement under the various functional cost headings.

The leasing of banking machines essentially corresponds to operating leases as defined by IAS 17. Under the tailored terms of product lease agreements between Wincor Nixdorf as lessor and customers as lessees, the main risks and rewards remain with Wincor Nixdorf. The minimum lease periods are between three and ten years, with extension options in existence under identical terms. The future minimum lease payments under non-redeemable lease agreements are as follows:

| | Sept.30,2007 | Sept.30,2006 |
|-------------------------------------|--------------|--------------|
| Residual term up to 1 year | 352 | 0 |
| Residual term between 1 and 5 years | 946 | 0 |
| Residual term more than 5 years | 287 | 0 |
| | 1,585 | 0 |

▶ **10 Investments.** The 6% interest in WINCOR NIXDORF Immobilien GmbH & Co. KG, Paderborn, is accounted for "at fair value through profit or loss" since the fair value can be measured reliably. The measurement at fair value showed an increase in the fair value of €65k as of September 30, 2007 (2005/2006: €22k), the net book value amounts to €1,047k as of September 30, 2007 (2005/2006: €982k). This increase in value is recognized in the income statement as finance result. Besides, within equity investments, the 10% investment in RUBEAN AG, Munich, fully depreciated during fiscal 2001/2002, is presented.

Included under loans to employees classified as "loans and receivables" of €59k (2005/2006: €91k) are current lendings of €16k (2005/2006: €26k).

▶ **11 Reworkable Service Parts.** Where necessary, the lower net realizable value was used, with due regard to selling and production costs still to be incurred. The total book value of reworkable service parts, valued as of September 30, 2007, at their lower of cost and net realizable value, was €16,355k (2005/2006: €15,710k). Write-down of reworkable service parts reported under cost of sales is €4,907k (2005/2006: €5,274k).

▶ **12 Receivables and Other Assets.**

| | Sept. 30, 2007 | | Sept. 30, 2006 | |
|------------------------------------|----------------|---------------|----------------|--------------|
| | Total | due >1 year | Total | due >1 year |
| Trade receivables | 321,848 | 4,481 | 267,873 | 5,301 |
| Receivables from related companies | 0 | 0 | 25 | 0 |
| Current tax assets | 3,947 | 0 | 2,458 | 0 |
| Other assets | 67,266 | 15,822 | 53,505 | 3,131 |
| | 393,061 | 20,303 | 323,861 | 8,432 |

The trade receivables are reduced by necessary valuation allowances amounting to €20,733k (2005/2006: €15,260k).

Other assets include sales tax of €16,989k (2005/2006: €14,375k), fair value of forward currency transactions of €4,848k (2005/2006: €1,276k), receivables from employees and other receivables of €1,507k (2005/2006: €4,216k), a surplus of plan assets over pension obligations of €12,655k (2005/2006: €1,851k) and debit balances in creditors of €1,560k (2005/2006: €796k). Moreover, other assets include the current and non-current portion of prepaid expenses (€17,140k (2005/2006: €20,618k) and €229k (2005/2006: €0k), respectively).

Trade receivables comprise receivables from finance leases in the amount of €4,294k (2005/2006: €4,677k). The leasing contracts are concluded for a term of up to ten years.

Residual Terms of Present Value of Minimum Lease Payments Receivable.

€k

| | Sept.30,2007 | Sept.30,2006 |
|-------------------------------------|--------------|--------------|
| Residual term up to 1 year | 1,211 | 1,194 |
| Residual term between 1 and 5 years | 2,564 | 2,962 |
| Residual term more than 5 years | 519 | 521 |
| | 4,294 | 4,677 |

Residual Terms of Total Gross Investment in the Lease.

€k

| | Sept.30,2007 | Sept.30,2006 |
|---|--------------|--------------|
| Residual term up to 1 year | 1,445 | 1,465 |
| Residual term between 1 and 5 years | 2,897 | 3,419 |
| Residual term more than 5 years | 886 | 960 |
| Unearned finance income | -934 | -1,167 |
| Present value of minimum lease payments receivable | 4,294 | 4,677 |

13 Deferred Taxes. Deferred taxes have been accrued for under the "temporary concept" in accordance with IAS 12 "Income Taxes", using the tax rates in force, approved and known, as of the balance sheet date.

As of September 30, 2007, these items include deferred tax assets of €13,591k (2005/2006: €10,786k) and deferred tax liabilities of €2,007k (2005/2006: €12,842k), after netting off deferred tax liabilities with deferred tax assets. Deferred tax assets of €5,314k (2005/2006: €6,846k) are the result of the future utilization of tax losses brought forward in accordance with IAS 12. Further explanatory notes on deferred tax assets are contained in Note **6**.

14 Inventories.

€k

| | Sept.30,2007 | Sept.30,2006 |
|--------------------------------|----------------|----------------|
| Raw materials and supplies | 58,977 | 59,518 |
| Unfinished goods | 23,964 | 24,444 |
| Finished goods and merchandise | 205,903 | 227,648 |
| Advances made | 5,465 | 1,146 |
| | 294,309 | 312,756 |

Where necessary, the lower net realizable value was used, with due regard to selling and production costs still to be incurred. The total book value of inventories valued as of September 30, 2007, at their lower of cost and net realizable value was €59,236k (2005/2006: €43,574k). Inventory impairment reported under cost of sales is €12,582k (2005/2006: €10,475k).

15 Cash and Cash Equivalents.

Marketable Securities. Marketable securities of Wincor Nixdorf GmbH, Vienna, Austria, shown in the previous year as "available-for-sale" securities with the amount of €67k, were sold in fiscal 2006/2007. In previous years, the movements in market value, with a total amount of €17k, were accounted for in the revaluation reserve and were reclassified from the equity to the Group income statement in fiscal 2006/2007. The historical acquisition cost of "available-for-sale" securities was €50k.

Cash in Hand and at Bank (including Checks). The cash in hand of €1,236k (2005/2006: €1,360k) mainly includes test cash for automated teller machines. Bank balances, including payments en-route, are €22,880k (2005/2006: €5,569k). Checks amount to €353k (2005/2006: €2,607k).

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

Distributions. Wincor Nixdorf will continue to pursue its recent dividend policy. Accordingly, the basis for computation of dividends to be paid to the shareholders is about half of the Group profit for the period before profit charges arising from the carve-out.

For the year under review, this corresponds to a dividend of about €1.83 per share. Additionally, an extra dividend of €0.90 per share is proposed for distribution.

The consolidated profit of Wincor Nixdorf AG as of September 30, 2007, amounts to €88,500k. The amount being proposed for distribution to the Board of Directors and Annual General Meeting is €2.73 per share. This complies with a distribution of €88,151k at the date on which the Group financial statements are released by the Board of Directors. The remaining amount will be carried forward. The dividend will be paid out on January 29, 2008.

The amount of €45,853k (€2.80 per share, amount per share before capital increase) was distributed to Wincor Nixdorf AG equity holders during the year.

Subscribed Capital. At the Annual General Meeting of Shareholders on January 29, 2007, the Wincor Nixdorf shareholders passed a resolution for the company's subscribed capital 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. All shares issued up to and including September 30, 2007, are fully paid-up. Each share is granted equal voting rights and equal dividend entitlement.

Changes in the number of shares issued were as follows:

| | |
|--|------------|
| As of October 1 | 16,542,494 |
| Issuance of new shares | 16,542,494 |
| Purchase of treasury shares | -702,780 |
| As of September 30 | 32,382,208 |
| Weighted average of shares in fiscal 2006/2007 | 32,745,725 |

Authorized Capital. As the result of a resolution at the AGM on May 14, 2004, the Board of Directors has been authorized to increase the company's nominal subscribed capital with the Supervisory Board's approval by up to €1,654,249.00 (Authorized Capital I 2004), through the issue for cash of new ordinary bearer shares under single or multiple initiatives up to May 13, 2009.

The Board of Directors was also authorized by resolution of the AGM on May 14, 2004, to increase the company's nominal subscribed capital with the Supervisory Board's approval by up to €6,616,997.00 (Authorized Capital II 2004), through the issue for cash and/or contributions in kind of new ordinary bearer shares under single or multiple initiatives.

Contingent Capital. The company's nominal subscribed capital may be increased, subject to certain conditions being met, by a maximum of €2,812,224.00, divided into a maximum of 2,812,224 bearer shares. This contingent increase in subscribed capital is exclusively for purposes of awarding share options to members of the Board of Directors of the company and to members of the management bodies of subsidiary domestic and foreign affiliated companies, as well as to other managers and employees of the company and its subsidiary affiliated companies, in accordance with more detailed criteria as set out in the authorization resolution passed at the AGM on May 14, 2004, in the version of the supplementary resolution passed by the AGM on February 21, 2006, and by the altered resolution passed at the AGM on January 29, 2007.

This shall only be implemented to the extent that these share options are taken up and the company does not provide the consideration in cash or with its own shares. The new shares shall carry dividend rights from the beginning of the fiscal year in which they are issued. Should the issue take place before the ordinary Annual General Meeting of Shareholders, the new shares shall be entitled to dividends for the previous fiscal year as well.

Additional Paid-in Capital. At the Annual General Meeting, a capital increase using corporate funds with a subsequent orderly reduction of capital was decided. Therefore, a major part of restricted additional paid-in capital according to Section 272 (2) no. 1 of the German Commercial Code was converted into free additional paid-in capital according to Section 272 (2) no. 4 of the German Commercial Code. The purpose of this action was to make additional paid-in capital available to Wincor Nixdorf AG for future dividend distributions.

Moreover, additional paid-in capital according to Section 272 (2) no. 4 of the German Commercial Code was reduced by the amount of €67,230k, and retained earnings increased by this amount.

Additional paid-in capital also contains part of the additional funds received from the issue of shares and the personnel expenses arising from the management share-based payment program 2006 and 2007 (2005/2006: share-based payment program 2005 and 2006).

Retained Earnings. Other retained earnings contain the cumulative profits made by the subsidiary companies included in the Group financial statements, the consolidated profit, other consolidation reserves and currency translation adjustments.

Revaluation Reserve. The revaluation reserve includes the market valuation of the cash flow hedges, less deferred taxes. In previous years, the variances between the purchase cost of marketable securities shown under Note 15 and their referring market values were also included.

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 subscribed capital on December 20, 2006) via the stock exchange. The resolution is based on the corresponding authorization issued by the Annual General Meeting for the repurchase of own equity instruments in an amount of up to 10% of subscribed capital. 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 to the amount of €19k, 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. The average price per share has halved to €58.53 accordingly.

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 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 General Meeting, 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. From March 15, 2007 to September 20, 2007, a total of 370,000 shares were repurchased at an average price of €65.35 per share. The acquisition costs, including ancillary costs of acquisition to the amount of €20k, amounting to €24,198k, were deducted in full from equity.

As of September 30, 2007, the total number of treasury shares held by the company was 702,780. The acquisition costs, including ancillary costs of acquisition to the amount of €39k, amounting to €43,693k, were deducted in full from equity.

Share-based Payment Program. Wincor Nixdorf has set up four share-based payment programs for managers since 2004, to which the following conditions have to be applied in each case:

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 out-

set; 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 underlying assumptions for each program are as follows (accounts restated accordingly to the capital increase):

| | Program 2004 | Program 2005 | Program 2006 | Program 2007 |
|--|-----------------|-----------------|-----------------|-----------------|
| Granted share options | 425,000 | 350,500 | 333,780 | 474,480 |
| Fair value of the option | €2.61 | €3.49 | €5.63 | €8.88 |
| Exercise price of the option at grant date | €22.55 | €34.57 | €58.51 | €69.40 |
| Expected volatility | 32.6% | 23.06% | 26.9% | 28.0% |
| Option life | 2 years | 2 years | 2 years | 2 years |
| Expected dividends | €1.51 | €2.17 | €2.60 | €3.40 |
| Risk-free interest rate | 2.5% | 2.5% | 3.156% | 4.0% |
| Fluctuation rate | 3.6% | 3.3% | 3.4% | 3.6% |

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. Share options reported as of September 30, 2007, only consist of options from share-based payment programs 2006 and 2007. The program 2006 will expire in March 2008, the program 2007 in March 2009. The weighted average residual term of both programs is about one year.

The fair values of the options have been calculated by the application of the Black-Scholes-Merton formula by an external expert. The expected volatilities for single programs were determined as follows: for program 2004 the expected volatility was based on the historical volatility of eleven listed companies that supply similar goods and services. The expected volatility for program 2005 was determined as the average of the three months' historic volatility and the volatility based on the 1-year period of the Wincor Nixdorf share. For program 2006 the expected volatility was the average result of the three months' historic volatility as well as the volatility based on the one-year period and 18-month volatility of the Wincor Nixdorf share. The expected volatility for program 2007 complies with the two- years' historic volatility of the Wincor Nixdorf share.

The vesting period for the 2005 share-based payment program expired on March 31, 2007. Of the 350,500 share options issued (doubling due to capital increase) 321,040 have been exercised. The weighted average share price at the date of exercise was €69.51. The share options were redeemed by the allocation of shares (13,500 share options) purchased on the market and by cash settlement (307,540 share options). Cash settlement was based on an average share price of €69.51. The portion of the purchased shares, with regard to the subscribed capital of Wincor Nixdorf AG, amounts to 0.04%. From this, there was no change to the total number of shares issued. The expenses incurred have been charged directly against equity. The vesting period for the 2004 share-based program expired in the last fiscal year; the settlement was handled

identically. The personnel expenses in connection with the programs have been reclassified to retained earnings.

The changes in the composition of share options are as follows:

| | 2006/2007 | | 2005/2006 | |
|--------------------------------|----------------|--------------------------|----------------|--------------------------|
| | Number | Average exercise price € | 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 |
| Exercised during the period | 321,040 | 34.57 | 398,500 | 22.55 |
| Expired during the period | 50,740 | 47.19 | 26,500 | 22.55 |
| As of September 30 | 786,980 | 64.91 | 684,280 | 46.25 |
| Exercisable as of September 30 | 0 | - | 0 | - |

During the fiscal year, personnel expenses in connection with the share-based payment programs amounted to €2,253k (2005/2006: €1,351k). The additional paid-in capital has been increased by this amount. However, personnel expenses in connection with the share-based payment program 2005 (€238k) have been reclassified to retained earnings, together with the amount carried forward for the share-based payment program 2005, in additional paid-in capital (€903k).

▶ **17 Minority Interest.** Minority interest is presented in detail in the Changes in Equity table.

▶ **18 Accruals for Pensions and Similar Commitments.**

| | €k | |
|--|---------------|---------------|
| | Sept.30,2007 | Sept.30,2006 |
| Present value of unfunded obligations | 15,931 | 17,737 |
| Present value of funded obligations | 167,866 | 164,876 |
| Market value of plan assets | -180,429 | -163,626 |
| Past service cost not included in profit and loss | 0 | -877 |
| Net liabilities | 3,368 | 18,110 |
| Amount recognized as asset | 12,655 | 1,851 |
| Accruals for pensions and similar commitments | 16,023 | 19,961 |

For certain groups of employees of Wincor Nixdorf Group retirement benefit schemes are available. Schemes vary depending on the legal, economic and tax environments of the respective country. The greater part of them qualify as defined benefit plans.

The substantial pension scheme in Germany basically relates to pension commitments to current employees of WINCOR NIXDORF International GmbH and its former employees that have transferred to other German subsidiaries. The pension plan is based upon direct performance-related commitments. In fiscal 2005/2006, the German pension plan was changed from pension payments to a one-time pay-off,

or payments in several installments. The alteration was continued in fiscal 2006/2007, and completed as of September 30, 2007. With the altered pension plan, every entitled employee receives, depending on individual pay-scale grouping, contractual classification or income level, a yearly contribution. The contribution is multiplied by an age factor appropriate to the current pension scheme and credited to the individual retirement account of the employee.

Change in Defined Benefit Obligation. €k

| | 2006/2007 |
|---|----------------|
| Present value of defined benefit obligation as of October 1 | 182,613 |
| Current service cost | 8,332 |
| Interest cost | 7,692 |
| Member contributions | 775 |
| Actuarial gains/losses | -4,018 |
| Pension payments | -2,011 |
| Plan alterations | -9,444 |
| Transfers/Exchange rate differences | -142 |
| Present value of defined benefit obligation as of September 30 | 183,797 |

With regard to Wincor Nixdorf Group entities, the underlying actuarial assumptions (weighted average) are as follows:

| | 2006/2007 | 2005/2006 |
|---------------|-----------|-----------|
| Interest rate | 4.5% | 4.2% |
| Income trend | 3.0% | 2.6% |
| Pension trend | 1.9% | 1.9% |

In addition, life expectancy assumptions have been taken into account. For Germany, the 2005G Heubeck Tables were used. Pension valuation is based on Projected Unit Credit method.

Change in Plan Assets.

ek

| | 2006/2007 |
|---|----------------|
| Fair value of plan assets as of October 1 | 163,626 |
| Expected return on plan assets | 9,434 |
| Actuarial gains/losses | -1,312 |
| Member contributions | 775 |
| Employer contributions | 9,249 |
| Pension payments | -185 |
| Transfers/Exchange rate differences | -1,158 |
| Fair value of plan assets as of September 30 | 180,429 |

In June 2006, Wincor Nixdorf created plan assets according to IAS 19 as part of a Contractual Trust Arrangement ("CTA"), 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. Besides funding the CTA in the amount of €7,454k, in fiscal 2006/2007, further employer contributions were conducted to the plan assets amounting to €1,795k. For fiscal 2007/2008, employer contributions in the amount of €1,845k are expected.

Plan assets were invested in the following assets:

| | Sept.30,2007 | Sept.30,2006 |
|------------------|--------------|--------------|
| Shares | 29.1% | 32.3% |
| Debt instruments | 31.7% | 32.6% |
| Real estate | 8.5% | 8.9% |
| Other | 30.7% | 26.2% |

Plan assets do not contain any own financial instruments or real estate currently used by the company.

Expected return on plan assets is determined based on a weighted average of 5.8% (2005/2006: 4.7%) and shown within the functional cost headings. The actual return on plan assets was €8,122k (2005/2006: €2,652k).

The expected return on plan assets is derived from returns generated in the past and long-term expected returns of assets included in the plan asset.

Pension Expenses.

ek

| | 2006/2007 | 2005/2006 |
|--------------------------------|---------------|---------------|
| Current service cost | 8,332 | 8,953 |
| Interest cost | 7,692 | 7,127 |
| Expected return on plan assets | -9,434 | -2,505 |
| Actuarial gains/losses | -2,706 | 20,583 |
| Returns from plan alteration | -9,444 | -8,597 |
| Past service cost | 877 | 100 |
| Pension expenses | -4,683 | 25,661 |

Actuarial gains and losses and all other components of pension expenses are recorded immediately in the relevant year's profit for the period in the functional cost headings. Interest costs are completely presented in the functional cost headings since fiscal 2006/2007. Before the funding of the German plan asset on July 1, 2006, interest costs of German subsidiaries had been presented in finance costs.

Experience adjustments comprise a gain on pension obligations in the amount of €2,410k and a loss on plan assets in the amount of €1,312k.

The personnel expenses of the fiscal year include expenses for defined contribution plans in the amount of €19,990k (2005/2006: €21,082k). Included are expenses of subsidiaries in Belgium, the Netherlands and Sweden for so-called multi-employer plans. According to IAS 19, these plans have to be treated as defined benefit plans. Since the required information of the plans is not available, the plans are treated as defined contribution plans.

Change in Liabilities.

ek

| | 2006/2007 | 2005/2006 |
|--|---------------|---------------|
| As of October 1 | 18,110 | 122,935 |
| Transfers/Exchange rate differences | 1,017 | 5,701 |
| Current service cost | 8,332 | 8,953 |
| Interest cost | 7,692 | 7,127 |
| Expected return on plan assets | -9,434 | -2,505 |
| Actuarial gains/losses | -2,706 | 20,583 |
| Returns from plan alteration | -9,444 | -8,597 |
| Past service cost | 877 | 100 |
| Employer contributions | -9,249 | -135,145 |
| Pension payments | -1,827 | -1,042 |
| As of September 30 | 3,368 | 18,110 |
| Amount recognized as asset | 12,655 | 1,851 |
| Accruals for pensions and similar commitments | 16,023 | 19,961 |

As of September 30, 2007, the pension plan was over-funded by €12,655k (2005/2006: €1,851k). The amount is presented under other non-current assets.

19 Other Accruals.

€k

| | Oct. 1, 2006 | Currency variances/ miscellaneous | Draw-downs | Releases | Additions | Accumulation | Sept. 30, 2007 |
|---|----------------|---|----------------|----------------|----------------|--------------|-------------------|
| Non-current other accruals | | | | | | | |
| Miscellaneous accruals for personnel expenses | 22,248 | 10 | -4,119 | -655 | 8,238 | 673 | 26,395 |
| Environmental protection obligations | 2,140 | 0 | 0 | 0 | 2,493 | 19 | 4,652 |
| Warranties | 2,225 | 0 | -800 | -254 | 1,396 | 163 | 2,730 |
| Other non-current miscellaneous accruals | 437 | 3 | -34 | -406 | 0 | 0 | 0 |
| Total non-current other accruals | 27,050 | 13 | -4,953 | -1,315 | 12,127 | 855 | 33,777 |
| Current other accruals | | | | | | | |
| Current accruals associated with sales and procurement markets | | | | | | | |
| Warranties | 50,834 | -241 | -30,570 | -5,791 | 42,450 | 0 | 56,682 |
| Potential losses on pending transactions | 13,431 | -28 | -5,800 | -1,724 | 16,067 | 0 | 21,946 |
| Delay and contract penalties | 5,971 | -41 | -543 | -3,127 | 2,739 | 0 | 4,999 |
| Miscellaneous | 6,931 | -271 | -2,978 | -317 | 10,940 | 0 | 14,305 |
| Total current accruals associated with sales and procurement markets | 77,167 | -581 | -39,891 | -10,959 | 72,196 | 0 | 97,932 |
| Miscellaneous accruals for personnel expenses | 42,710 | -754 | -29,427 | -524 | 37,769 | 0 | 49,774 |
| Accruals for other taxes | 40 | -1 | -16 | 0 | 89 | 0 | 112 |
| Other current miscellaneous accruals | 19,703 | -60 | -9,789 | -3,009 | 20,442 | 0 | 27,287 |
| Total current other accruals | 139,620 | -1,396 | -79,123 | -14,492 | 130,496 | 0 | 175,105 |
| Total other accruals | 166,670 | -1,383 | -84,076 | -15,807 | 142,623 | 855 | 208,882 |

In accordance with IAS 37, accruals are created on the balance sheet in respect of legal or actual obligations resulting from past events where the outflow of funds to settle such obligations is probable and can be estimated reliably.

The accruals for personnel expenses have been created essentially for pre-retirement part-time working arrangements, vacation and flexi-time not taken, service anniversary awards, severance payments in connection with dismissals

and company social benefit top-up schemes. As a means of entering into early retirement, WINCOR NIXDORF International GmbH, Paderborn, offers a company-subsidized pre-retirement part-time working scheme using the "block model". The term of the scheme is between two and six years, and entry to the scheme is permitted no earlier than the employee's 55th birthday. Essentially, during the working phase, the employee performs full duties on half pay. During the release phase, the employee no longer works, but receives the remaining 50% of his or her remuneration. The employer subsidy takes the form of topping up of remuneration and contributions to social pension insurance. The insolvency protection has been handled by a guarantee agreement closed with an external bank.

Warranty accruals are created in respect of product warranty obligations, which are prescribed by statute or contractually agreed, or which have arisen de facto.

Where delay and contract penalties are agreed in contracts for the supply of goods and/or services, and where the incurrance of penalties is probable in the light of the current position, a corresponding accrual for delay and contract penalties is created.

Where income from an order does not cover prime cost, accruals are created for potential losses on pending transactions to the value of the variance between income and expenses.

Other miscellaneous accruals contain obligations associated with probable claims for damages and pending legal proceedings and accruals for costs associated with year-end closing.

20 Liabilities.

€k

| | Total | up to 1 year | Residual term between 1 and 5 years | more than 5 years |
|----------------------------------|-----------------------------|-----------------------------|---|-------------------------|
| Financial liabilities | 206,516 (209,350) | 36,415 (16,873) | 169,561 (6,298) | 540 (186,179) |
| Advances received on orders | 54,213 (76,368) | 54,213 (76,368) | 0 (0) | 0 (0) |
| Trade payables | 234,610 (213,410) | 234,397 (211,708) | 193 (1,702) | 20 (0) |
| Liabilities to related companies | 0 (611) | 0 (611) | 0 (0) | 0 (0) |
| Current income tax liabilities | 50,287 (21,329) | 50,287 (21,329) | 0 (0) | 0 (0) |
| Other liabilities | 174,368 (166,216) | 174,361 (166,023) | 7 (187) | 0 (6) |
| | 719,994 (687,284) | 549,673 (492,912) | 169,761 (8,187) | 560 (186,185) |

Last year's equivalent figures are shown in brackets.

Financial Liabilities. Financial liabilities consist of bank liabilities and liabilities from finance leases.

The bank liabilities are shown at amortized costs. Those are generally reflecting market values. The revolving facility credit agreement, set up on August 2, 2005, has been concluded for a term of seven years until August 2, 2012. Within this term, Wincor Nixdorf may unrestrictedly dispose of the volume of credit of € 350,000k with variable maturities. The interest is based on an additional margin on the relevant EURIBOR rate. The additional margin is derived from a fixed scaling of the relation of net debt to EBITA of Wincor Nixdorf Group. Bank liabilities as of the balance sheet date came

to a total of €201,852k (2005/2006: €203,218k), of which €165,000k (2005/2006: €185,000k) were from the revolving facility. The liable parties are WINCOR NIXDORF International GmbH (€85,000k, 2005/2006: €150,000k) and Wincor Nixdorf AG (€80,000k, 2005/2006: €35,000k).

The revolving facility agreement also allows further loans over and above the funding already taken out to be drawn down.

Liabilities from finance leases amount to €4,664k (2005/2006: €6,132k) as of the balance sheet date. The referring assets are disclosed in property, plant and equipment as other fixed assets and office equipment (€3,025k, 2005/2006: €4,434k) and trade receivables (€1,578k, 2005/2006: €1,725k).

Residual Terms of Present Value of Minimum Lease Payments. €k

| | Sept.30,2007 | Sept.30,2006 |
|-------------------------------------|--------------|--------------|
| Residual term up to 1 year | 1,212 | 1,287 |
| Residual term between 1 and 5 years | 2,912 | 3,666 |
| Residual term more than 5 years | 540 | 1,179 |
| | 4,664 | 6,132 |

Residual Terms of Future Total Minimum Lease Payments. €k

| | Sept.30,2007 | Sept.30,2006 |
|--|--------------|--------------|
| Residual term up to 1 year | 1,380 | 1,354 |
| Residual term between 1 and 5 years | 3,195 | 4,179 |
| Residual term more than 5 years | 606 | 1,531 |
| Interest | -517 | -932 |
| Present value of minimum lease payments | 4,664 | 6,132 |

Other Liabilities.

Breakdown of Other Liabilities. €k

| | Total | up to 1 year | Residual term between 1 and 5 years | more than 5 years |
|-------------------------------|------------------------------------|------------------------------------|-------------------------------------|------------------------|
| Deferred income | 72,234 (74,936) | 72,234 (74,936) | 0 (0) | 0 (0) |
| Liabilities to employees | 60,193 (55,848) | 60,193 (55,848) | 0 (0) | 0 (0) |
| Tax liabilities | 23,769 (20,721) | 23,769 (20,721) | 0 (0) | 0 (0) |
| Social security liabilities | 7,777 (6,785) | 7,777 (6,785) | 0 (0) | 0 (0) |
| Forward currency transactions | 46 (891) | 46 (891) | 0 (0) | 0 (0) |
| Others | 10,349 (7,035) | 10,342 (6,842) | 7 (187) | 0 (6) |
| | 174,368 (166,216) | 174,361 (166,023) | 7 (187) | 0 (6) |

Last year's equivalent figures are shown in brackets.

For the remaining liabilities, there are also the usual industry and ipso jure sureties in place to the customary extent.

21 Derivative Financial Instruments.

Currency Risks. At Wincor Nixdorf Group, both sales and purchases are transacted in foreign currency. WINCOR NIXDORF International GmbH is the Group's currency management center. Here, the entire currency risks are identified, quantified and controlled. Furthermore, it provides foreign currencies. Currency risks arise from sales and purchases in various foreign currencies. At Wincor Nixdorf, these are mainly US dollar and pound sterling. The risk is considerably reduced by natural hedging, i.e., management of sales and purchases by choice of location and suppliers.

The remaining net currency risk amounts to about €112 million from US dollar and about €61 million from pound sterling. This is roughly equivalent to 8% of net sales and can therefore be regarded as minor. Currency risk is hedged for a period of twelve months by external monthly due forward currency transactions undertaken with banks. Since the hedge is classified as highly effective, a cash flow hedge is accounted for according to IAS 39 "Financial Instruments: Recognition and Measurement".

The nominal sum of the forward currency transactions amounts to €154,356k (2005/2006: €131,900k). The corresponding market values which are determined by market prices amount to €4,848k and –€46k respectively (2005/2006: €1,276k and €-891k) at the balance sheet date and have been recorded without any impact on profit and loss in the revaluation reserve within equity, having taken into account deferred taxes. The market values are presented under other assets or other liabilities, respectively. Market prices have been obtained by the respective quotations of banks. The forward currency transactions will affect profit and loss at maturity date. During this fiscal year, €385k (2005/2006: –€6,881k) have been released from revaluation reserves and recorded in profit and loss under cost of sales.

The flows of foreign currency are recorded centrally for the entire Group and, where feasible, equalized out. No foreign currency options were transacted during the fiscal year.

Interest Rate Risks. In order to reduce the risk of interest rate changes, Wincor Nixdorf entered into agreements for three collars with a nominal sum of €150,000k, with a variety of different banks. Two of the three collars run until December 31, 2010, with the third collar running until December 31, 2007.

A collar is a combination of interest rate cap and interest rate floor. An interest rate cap is taken to mean an agreement between buyer and seller under which the seller pays the buyer the difference between the agreed upper interest rate limit and the reference rate (if higher) on an agreed nominal sum over a set term. An interest rate floor, on the other hand, is the description given to an agreement between buyer and seller stipulating that the seller will pay the buyer the difference between the agreed lower interest rate limit and the reference rate (if lower) on an agreed nominal sum over a set period. Wincor Nixdorf has secured an upper interest rate limit of 5.00% (as buyer of the interest rate caps) and a lower interest rate limit of 1.75% (as seller of the interest rate floors). The underlying reference rate is the 3-month EURIBOR. Due to the collar, Wincor Nixdorf is not only protected against rising interest rates but is also able to benefit from falling rates down to the lower limit of 1.75%.

The interest rate caps and floors performed as follows up to the balance sheet date:

| | Sept.30,2007 | Sept.30,2006 |
|------------------------------------|--------------|--------------|
| Market value: interest rate caps | 258 | 252 |
| Nominal sum: interest rate caps | 150,000 | 150,000 |
| Market value: interest rate floors | -7 | -26 |
| Nominal sum: interest rate floors | 150,000 | 150,000 |

€k

The market value is arrived at by taking the value of outstanding positions at market prices without adjusting for adverse movements in the value of the underlying transactions. It shows the effect that smoothing of interest rate caps and floors had on profit as of the year-end. The market values were arrived at based upon corresponding quotations obtained from banks using mark-to-market models. As the underlying contract was entered into with banks of impeccable financial standing, there are no credit risks associated with this financial instrument.

The positive market value of the interest rate caps as of September 30, 2007, is shown as relevant under other non-current assets. The negative market value of the interest rate floors is shown under other non-current liabilities. The changes in value are included under finance income and finance costs. The impact of the changes in value on profit and loss is €25k (2005/2006: €176k).

The following residual terms apply:

€k

| | Nominal sum | Residual term | | |
|--|-------------|------------------|-----------------------|-------------------|
| | | less than 1 year | between 1 and 5 years | more than 5 years |
| Residual terms of the interest rate caps | 150,000 | 50,000 | 100,000 | 0 |
| Sept. 30, 2007 | (150,000) | (0) | (150,000) | (0) |
| Residual terms of the interest rate floors | 150,000 | 50,000 | 100,000 | 0 |
| Sept. 30, 2007 | (150,000) | (0) | (150,000) | (0) |

Last year's equivalent figures are shown in brackets.

In addition, since September 27, 2006, Wincor Nixdorf has effected an interest rate swap for a nominal sum of €50,000k at a secured interest rate of 3.797% until July 31, 2012. The interest rate swap commits Wincor Nixdorf to pay a fixed interest rate for a specified duration and an agreed volume.

In return, Wincor Nixdorf receives payment at the actual short-term interest rate (EURIBOR) from the counterparty of the interest swap. Hereby, Wincor Nixdorf hedges the interest level to the amount of the secured interest rate of 3.797% p.a. The interest rate swap transforms interest payables from short-term borrowings (e.g., in the context of the revolving facility) into interest payables with a fixed interest rate. Therefore the company is protected against a rise in short-term interest rates, but does not benefit from a fall of these. As the hedge relationship is determined to be highly effective, it is accounted for as a cash flow hedge in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". At the balance sheet date, the fair value, which is measured at market prices, is €1,556k (2005/2006: €92k) and has been directly recognized in the revaluation reserve in equity, having taken into account deferred taxes. The fair value is presented in other non-current assets. The market price is determined on the basis of price quotations provided by banks. The interest adjustment takes place at the end of each quarter.

Credit Risks. In the case of derivative financial instruments, the Wincor Nixdorf Group is exposed to credit risks arising from the non-performance of contractual obligations by the contracting parties. These risks are minimized by only entering into agreements with contracting parties who have a first-class credit rating.

Wincor Nixdorf attempts to reduce the credit risks by using trading information, credit limits and debtor management including a payment reminders system and proactive debt collection. We operate with letters of credit to safeguard receivables from countries with a credit risk, such as Turkey, the Ukraine, Kazakhstan, India, Kenya and Nigeria.

OTHER INFORMATION.**▶ 22 Cost of Materials.**

ek

| | 2006/2007 | 2005/2006 |
|---|------------------|------------------|
| Cost of raw materials, supplies and bought-in goods | 788,456 | 793,349 |
| Cost of bought-in services | 407,742 | 342,400 |
| | 1,196,198 | 1,135,749 |

The net change in finished and unfinished goods and services amounts to –€15,482k (2005/2006: €61,454k).

▶ 23 Personnel Expenses.

ek

| | 2006/2007 | 2005/2006 |
|--|----------------|----------------|
| Wages and salaries | 424,551 | 382,827 |
| Social security contributions and welfare expenses | 67,799 | 62,084 |
| Retirement benefit expenses | 13,748 | 14,208 |
| | 506,098 | 459,119 |

▶ 25 Other Financial Commitments.

ek

| | Total | up to 1 year | Residual term between 1 and 5 years | more than 5 years |
|--|----------------------------------|----------------------------------|-------------------------------------|--------------------------------|
| Future payment commitments from | | | | |
| real estate leases | 59,077 (55,524) | 17,187 (16,456) | 35,148 (33,837) | 6,742 (5,231) |
| miscellaneous tenancies and leases | 11,963 (9,714) | 6,311 (4,800) | 5,652 (4,911) | 0 (3) |
| long-term purchase and service contracts | 5,942 (8,978) | 5,052 (5,978) | 890 (3,000) | 0 (0) |
| acquisition of intangible and fixed assets | 12,632 (7,876) | 12,377 (7,790) | 255 (86) | 0 (0) |
| | 89,614 (82,092) | 40,927 (35,024) | 41,945 (41,834) | 6,742 (5,234) |

Last year's equivalent figures are shown in brackets.

The average number of employees during the year was 8,121 (2005/2006: 7,444), excluding trainees and apprentices. Headcount breakdown by function was as follows:

| | 2006/2007 | 2005/2006 |
|------------------------|--------------|--------------|
| Production | 1,829 | 1,790 |
| Sales/Services | 5,172 | 4,621 |
| Research & Development | 829 | 762 |
| Administration | 291 | 271 |
| | 8,121 | 7,444 |

The headcount increase in Sales was essentially due to expansion of an in-house service function.

▶ 24 Contingent Liabilities. There exist obligations of €1,145k (2005/2006: €1,320k) arising from warranty contracts. These mainly take the form of sureties to support and safeguard sales activities.

The future payment commitments from real estate leases and miscellaneous tenancies and leases represent the future minimum lease payments in connection with operating leases, as per IAS 17. The agreements comprise the leasing of buildings and motor vehicles. Leasing expenses were €43,271k (2005/2006: €37,103k) in the year under review.

▶ **26 Related Parties.** A list of affiliated and associated companies is included in Note ▶ 30. Related parties according to IAS 24 "Related Party Disclosures" are, besides the Board of Directors, essentially the Supervisory Board, investments and shareholders.

The compensation of the Board of Directors is as follows:

| | 2006/2007 | 2005/2006 |
|---|--------------|--------------|
| Short-term benefits (without share-based compensation) | 4,873 | 5,367 |
| Share-based compensation | 1,323 | 338 |
| Total compensation | 6,196 | 5,705 |
| Post-employment benefits | 159 | 46 |
| Total | 6,355 | 5,751 |

Service costs resulting from the pension obligations and additions to superannuation for current members of the Board of Directors are disclosed as post-employment benefits. The disclosure of share-based compensation refers to the fair value at the grant date. Pension accruals for obligations of the Board of Directors amount to €1,033k (2005/2006: €2,576k). With the conversion of the pension scheme from pension payments to a one-time pay-off or payments in several installments also pension obligations of the Board of Directors were adapted, with one exception.

The members of the Board of Directors own 209,000 share options from the share-based payment programs 2006 and 2007 as of September 30, 2007 (2005/2006: 100,000 share options from share-based payment programs 2005 and 2006).

Numbers shown consider the effects of the capital increase. The members of the Supervisory Board own 15,000 share options, as of September 30, 2007 (2005/2006: 0 share options). The share options were granted to the Chairman of the Supervisory Board during his post as President of the Board of Directors.

In fiscal 2006/2007, the members of the Supervisory Board received fringe benefits amounting to €659k (2005/2006: €608k). No long-term benefits are arranged with the members of the Supervisory Board.

For an individualized presentation and further details relating to compensation payable to the Board of Directors and the Supervisory Board, please refer to the presentation of the audited compensation report, which is part of the "Corporate Governance" report (page 14 et sqq. of the Annual Report).

Total compensation paid to former members of the Board of Directors amounted to €51k in fiscal 2006/2007 (2005/2006: €0k). An amount of €1,338k (2005/2006: €0k) is accrued for pension obligations benefiting former members of the Board of Directors.

No goods or services were supplied to RUBEAN AG, Munich, either during fiscal 2006/2007, or during the previous year. No receivables or liabilities to this company were in existence as of the balance sheet date.

Provision of goods and services was billed and paid for at "arm's length" prices, as would apply between unconnected third parties. No other business of a material nature was transacted with related parties.

▶ 27 Notes to the Group Cash Flow Statement.

The Group cash flow statement has been drawn up in accordance with IAS 7 "Cash Flow Statements".

Cash and cash equivalents include not only cash amounting to €24,469k (2005/2006: €9,536k) and marketable securities amounting to €0k (2005/2006: €68k), but also bank liabilities repayable at any time amounting to €35,203k (2005/2006: €15,586k), as these could be considered in the management of cash.

The increase in working capital is a result of the following changes:

| | €k | |
|---|----------------|----------------|
| | Sept.30,2007 | Sept.30,2006 |
| Reduction/increase in inventories | 18,447 | -88,888 |
| Reduction/increase in advances received on orders | -22,154 | 49,796 |
| Increase in trade receivables | -53,976 | -51,536 |
| Increase in trade payables | 20,590 | 18,325 |
| Reduction/increase in deferred income | -2,702 | 17,819 |
| Increase in working capital | -39,795 | -54,484 |

Overall, the EBITDA of €233,026k (2005/2006: €202,995k), the increase in accruals of €25,583k (2005/2006: €45,550k) as well as – with an opposite impact – the increase in working capital to €39,795k (2005/2006: €54,484k) essentially resulted in cash flow from operating activities of €180,356k (2005/2006: €154,646k).

Lease payments from customers for Wincor Nixdorf products and lease payments from Wincor Nixdorf for operating lease assets are presented in cash flow from operating activities. Lease payments for assets which classify as a finance lease and are capitalized, are recorded in cash flow from financing activities.

▶ 28 **Segment Report.** The breakdown of net worth, profitability and other measurables by areas of activity, and by region as per IAS 14 "Segment Reporting" is shown in the Segment Report. The segment breakdown is along the lines of the internal Wincor Nixdorf organization, with a primary breakdown into the Retail and Banking divisions and a secondary breakdown by geographic markets. The distribution of net sales to external customers by market geography is based on the domicile of the customer; segment assets and investments by market geography are based on the location of the entity which shows the assets.

During fiscal 2006/2007, the segmentation of geographical specified markets was changed: due to the high importance of the total European business for the Group, a new geographical segment "Europe" was established, which includes the segments "Germany" and "Europe w/o Germany" previously reported as separate segments. The previous year's figures were restated accordingly. The figures of the former segment "Germany" are further on shown separately for information purposes.

The nature of products and services in the Retail and Banking segments are shown in the General Information and in the Group Management Report.

Reconciliation of Segment Assets and Segment Liabilities.

€k

| | Sept.30,2007 | Sept.30,2006 |
|---|------------------|------------------|
| Total balance sheet assets | 1,225,177 | 1,161,502 |
| Non-operating miscellaneous intangible assets (goodwill and product know-how) | -347,719 | -363,164 |
| Loans | -59 | -91 |
| Equity investments | -1,047 | -982 |
| Receivables from related companies | 0 | -25 |
| Non-operating miscellaneous assets and current tax assets | -71,213 | -55,963 |
| Cash and cash equivalents | -24,469 | -9,604 |
| Deferred tax assets | -13,591 | -10,786 |
| Segment assets | 767,079 | 720,887 |
| Liabilities (Note 20) | 719,994 | 687,284 |
| Financial liabilities | -206,516 | -209,350 |
| Current income tax liabilities | -50,287 | -21,329 |
| Non-operating miscellaneous liabilities | -102,134 | -91,280 |
| Segment liabilities | 361,057 | 365,325 |

Non-operating miscellaneous liabilities include other liabilities without deferred income.

Reconciliation of Segment Profit to Profit for the Period.

€k

| | 2006/2007 | 2005/2006 |
|---|----------------|----------------|
| Operating profit (EBITA) | 185,901 | 160,817 |
| Goodwill amortization | 0 | 0 |
| Operating profit (EBIT) | 185,901 | 160,817 |
| Profit charges arising from the carve-out (Note 29) | -14,854 | -20,031 |
| Finance income and finance costs | -9,827 | -12,781 |
| Profit before tax | 161,220 | 128,005 |
| Income taxes | -51,914 | -46,152 |
| Profit for the period | 109,306 | 81,853 |
| Profit attributable to minority interest | -1,270 | -845 |
| Profit attributable to equity holders of Wincor Nixdorf AG | 108,036 | 81,008 |

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

29 Effect of Profit Charges Arising from the Carve-out. The Wincor Nixdorf Group was de-merged from Siemens Group by means of a leveraged buy-out on October 1, 1999. The amount of the purchase price paid over and above net assets acquired was divided up as follows:

€k

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

The consequences of this affected profit before tax as follows:

| | €k | |
|---|---------------|---------------|
| | 2006/2007 | 2005/2006 |
| Amortization of product know-how | 14,854 | 20,031 |

Statement of Income before Profit Charges Arising from the Carve-out.

| | €k | |
|---|------------------|------------------|
| | 2006/2007 | 2005/2006 |
| Net sales | 2,144,563 | 1,947,569 |
| Cost of sales | -1,553,887 | -1,412,218 |
| Gross profit | 590,676 | 535,351 |
| <i>Gross margin (%)</i> | 27.5% | 27.5% |
| Research and development expenses | -96,569 | -87,437 |
| Selling, general and administration expenses | -308,203 | -290,683 |
| Other operating income | 0 | 4,507 |
| Other operating expenses | -3 | -921 |
| Operating profit (EBIT) | 185,901 | 160,817 |
| Goodwill amortization | 0 | 0 |
| EBITA | 185,901 | 160,817 |
| Amortization/depreciation of property rights, licenses and property, plant and equipment and write-down of reworkable service parts | 47,125 | 42,178 |
| EBITDA | 233,026 | 202,995 |

Profit Attributable to Equity Holders of Wincor Nixdorf AG before Carve-out.

| | €k | |
|--|----------------|---------------|
| | 2006/2007 | 2005/2006 |
| Profit attributable to equity holders of Wincor Nixdorf AG | 108,036 | 81,008 |
| Amortization product know-how | 14,854 | 20,031 |
| Calculated tax effect | -5,793 | -7,812 |
| Profit attributable to equity holders of Wincor Nixdorf AG before carve-out | 117,097 | 93,227 |

30 Share Ownership as of September 30, 2007.

| | capital share in % |
|---|--------------------|
| Germany | |
| Wincor Nixdorf Aktiengesellschaft, Paderborn | |
| WINCOR NIXDORF International GmbH, Paderborn | 100 |
| WINCOR NIXDORF Banking Consulting GmbH, Paderborn | 100 |
| WINCOR NIXDORF Customer Care GmbH, Paderborn | 100 |
| Wincor Nixdorf Dienstleistungs GmbH, Paderborn | 100 |
| WINCOR NIXDORF Facility GmbH, Paderborn | 100 |
| WINCOR NIXDORF Facility Services GmbH, Paderborn | 100 |
| WINCOR NIXDORF Grundstücksverwaltung Ilmenau GmbH & Co. KG, Paderborn | 100 |
| Wincor Nixdorf Logistics GmbH, Paderborn | 100 |
| Wincor Nixdorf Lottery Solutions GmbH, Konstanz | 100 |
| Wincor Nixdorf Portavis GmbH, Hamburg | 51 |
| WINCOR NIXDORF Real Estate GmbH & Co. KG, Paderborn | 100 |
| WINCOR NIXDORF Retail Consulting GmbH, Paderborn | 100 |
| Wincor Nixdorf Retail Services GmbH, Paderborn | 100 |
| WINCOR NIXDORF Security GmbH, Paderborn | 100 |
| Wincor Nixdorf Services GmbH, Paderborn | 100 |
| WINCOR NIXDORF Technology GmbH, Paderborn | 100 |

Notes to the Group Financial Statements

capital share in %

Europe (excl. Germany)

| | |
|---|-----|
| Wincor Nixdorf NV, Zaventem (Belgium) | 100 |
| Wincor Nixdorf Services NV, Zaventem (Belgium) | 100 |
| Wincor Nixdorf A/S, Ballerup (Denmark) | 100 |
| Wincor Nixdorf Oy, Espoo (Finland) | 100 |
| Wincor Nixdorf SAS, Montigny-le-Bretonneux (France) | 100 |
| Wincor Nixdorf Information Systems S.A., Athens (Greece) | 100 |
| Datalect Group Ltd., Perivale, Middlesex (United Kingdom) | 100 |
| Wincor Nixdorf Banking Services Ltd., Wokingham (United Kingdom) | 100 |
| Wincor Nixdorf Ltd., Wokingham (United Kingdom) | 100 |
| Wincor Nixdorf Ltd., Dublin (Ireland) | 100 |
| Wincor Nixdorf Retail S.r.l. Massa e Cozzile (Italy) | 100 |
| Wincor Nixdorf Retail Consulting S.r.l., Milan (Italy) | 100 |
| Wincor Nixdorf S.r.l., Milan (Italy) | 100 |
| Wincor Nixdorf Finance Malta Holding Limited, St. Julians (Malta) | 100 |
| Wincor Nixdorf Finance Malta Limited, St. Julians (Malta) | 100 |
| SecurCash B.V., Rotterdam (Netherlands) | 100 |
| Wincor Nixdorf B.V., The Hague (Netherlands) | 100 |
| Wincor Nixdorf A/S, Oslo (Norway) | 100 |
| Wincor Nixdorf GmbH, Vienna (Austria) | 100 |
| Wincor Nixdorf Sp.z.o.o., Warsaw (Poland) | 100 |
| Wincor Nixdorf Lda., Amadora (Portugal) | 100 |
| WINCOR NIXDORF LLC, Moscow (Russia) | 100 |
| Wincor Nixdorf A.B., Solna (Sweden) | 100 |
| BEB Industrie-Elektronik AG, Burgdorf (Switzerland) | 100 |
| Wincor Nixdorf Finance AG, Baar (Switzerland) | 100 |
| Wincor Nixdorf AG, Brüttsellen (Switzerland) | 100 |
| Wincor Nixdorf s.r.o., Bratislava (Slovakia) | 100 |
| Wincor Nixdorf S.L., Alcobendas (Spain) | 100 |
| Wincor Nixdorf s.r.o., Prague (Czech Republic) | 100 |
| Wincor Nixdorf Bilgisayar Sistemleri A.S., Ayazaga (Turkey) | 100 |
| Wincor Nixdorf Kft., Budapest (Hungary) | 100 |

capital share in %

America

| | |
|---|--------|
| Wincor Nixdorf Soluções em Tecnologia da Informação Ltda., São Paulo (Brazil) | 100 |
| Wincor Nixdorf IT Support S.A. de C.V., Mexico City (Mexico) ¹ | 99.998 |
| Wincor Nixdorf S.A. de C.V., Mexico City (Mexico) ¹ | 100 |
| Wincor Nixdorf Inc., Austin (USA) | 100 |
| Wincor Nixdorf C.A., Caracas (Venezuela) | 100 |

Asia-Pacific

| | |
|---|-----|
| Wincor Nixdorf (Hong Kong) Ltd., Hong Kong (China) | 100 |
| Wincor Nixdorf Retail & Banking Systems (Shanghai) Co., Ltd., Shanghai (China) ¹ | 100 |
| Pt. Wincor Nixdorf Indonesia, Jakarta Selatan (Indonesia) | 100 |
| Wincor Nixdorf (M) Sdn. Bhd., Kuala Lumpur (Malaysia) | 100 |
| Wincor Nixdorf Pte. Ltd., Singapore (Singapore) | 100 |
| Wincor Nixdorf Ltd., Seoul (South Korea) | 100 |
| Wincor Nixdorf Taiwan Ltd., Taipei (Taiwan) | 100 |
| Wincor Nixdorf (Thailand) Co., Ltd., Bangkok (Thailand) | 100 |

Africa

| | |
|---|------|
| Wincor Nixdorf EURL, Algiers (Algeria) | 100 |
| Wincor Nixdorf S.A., Casablanca (Morocco) | 96.5 |

¹Alternative fiscal year ending December 31.

The following German subsidiaries made partly or totally use of the exemption clause included in Section 264 (3) and Section 264b of German Commercial Code:

- WINCOR NIXDORF International GmbH, Paderborn
- WINCOR NIXDORF Banking Consulting GmbH, Paderborn
- WINCOR NIXDORF Customer Care GmbH, Paderborn
- Wincor Nixdorf Dienstleistungs GmbH, Paderborn
- WINCOR NIXDORF Facility GmbH, Paderborn
- WINCOR NIXDORF Facility Services GmbH, Paderborn
- Wincor Nixdorf Logistics GmbH, Paderborn
- WINCOR NIXDORF Retail Consulting GmbH, Paderborn
- Wincor Nixdorf Retail Services GmbH, Paderborn
- WINCOR NIXDORF Security GmbH, Paderborn
- Wincor Nixdorf Services GmbH, Paderborn
- WINCOR NIXDORF Technology GmbH, Paderborn
- WINCOR NIXDORF Real Estate GmbH & Co. KG, Paderborn
- WINCOR NIXDORF Grundstücksverwaltung Ilmenau GmbH & Co. KG, Paderborn

▶ 31 Statutory Company Boards.

Members of the Board of Directors of Wincor Nixdorf AG

Karl-Heinz Stiller, Paderborn
President and Chief Executive Officer
(until January 29, 2007)

Eckard Heidloff, Paderborn
President and Chief Executive Officer
(since January 29, 2007),
Chief Financial Officer (until February 28, 2007)

Stefan Auerbach, Bad Orb
Executive Vice President, Banking

Jürgen Wilde, Habichtswald
Executive Vice President, Retail

Dr. Jürgen Wunram, Bremen
Executive Vice President, Chief Financial Officer,
Chief Operating Officer
(since March 1, 2007)

Jürgen Wilde will relinquish his post as Executive Vice President at his own request, for health reasons, at the end of the Annual General Meeting on January 28, 2008. The Supervisory Board agreed to Mr. Wilde's request at its meeting on September 18, 2007. At the same time, the decision was made to reduce the Board of Directors from four members to three.

None of the members of the Board of Directors holds memberships in Supervisory Boards.

Executive Board of Wincor Nixdorf AG

Javier Lopez Bartolomé, Madrid (Americas and Iberia)
Jens Bohlen, Witten (Services)
Lim Khoon Hong, Singapore (Asia)
Rainer Pfeil, Bad Lippspringe (Human Resources)
Reinhard Rabenstein, Paderborn (Chief Technology Officer)

At its meeting on September 18, 2007, the Supervisory Board appointed Dr. Herbert Machill as the successor to Jürgen Wilde, with effect from October 1, 2007, as Senior Vice President Retail.

Members of the Supervisory Board:

| Name | Role | Appointment | Expiration |
|---|--|-------------|---|
| Karl-Heinz Stiller (Chairman, since January 29, 2007) | Consultant advisor | 01/29/2007 | End of Annual General Meeting (AGM) for fiscal 2010/2011 |
| Johannes P. Huth (Chairman, until January 29, 2007) | Managing Director Kohlberg Kravis Roberts & Co. Ltd. | 09/01/2000 | 01/29/2007 (End of AGM) |
| Manfred Feierabend* (Deputy Chairman) | Technician, WINCOR NIXDORF International GmbH | 10/23/2000 | End of AGM for fiscal 2009/2010 |
| Hero Brahms (Chairman of Audit Committee) | Consultant advisor | 05/14/2004 | End of AGM for fiscal 2007/2008 |
| Dr. Alexander Dibelius | Managing Director Goldman, Sachs & Co. oHG | 09/01/2000 | End of AGM for fiscal 2009/2010 |
| Walter Gunz | Managing Director Axel Springer eCommerce GmbH & Co. KG | 05/14/2004 | End of AGM for fiscal 2007/2008 |
| Volker Kotnig* | Trade union secretary, German Metalworkers' Union | 10/23/2000 | End of AGM for fiscal 2009/2010 |
| Prof. Dr. rer. nat. Walter Kröll | Consultant advisor | 05/14/2004 | End of AGM for fiscal 2007/2008 |
| Thomas Meilwes* | Promoter, WINCOR NIXDORF International GmbH | 10/23/2000 | End of AGM for fiscal 2009/2010 |
| Dr. Bernhard Motzko* | Head of Logistics & Productions WINCOR NIXDORF International GmbH | 02/21/2006 | End of AGM for fiscal 2009/2010 |
| Michael Schild* | Programmer, WINCOR NIXDORF International GmbH | 10/23/2000 | End of AGM for fiscal 2009/2010 |
| Franz Tölle* | Trade union secretary, German Metalworkers' Union, Regional HQ North-Rhine Westphalia | 02/21/2006 | End of AGM for fiscal 2009/2010 |
| Prof. Dr. Harald Wiedmann | Lawyer | 02/21/2006 | End of AGM for fiscal 2009/2010 |

*employee representative.

▶ 32 Notes according to Section 314 (1) No. 9 of the German Commercial Code.

The following fees for our Group auditor, KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, were recognized as expenses:

| | 2006/2007 | 2005/2006 |
|--|--------------|--------------|
| for audit fees | 441 | 384 |
| for other certification or valuation services | 43 | 42 |
| for tax consultancy | 591 | 528 |
| for other services rendered to Wincor Nixdorf AG or its subsidiaries | 211 | 305 |
| | 1,286 | 1,259 |

▶ 33 Equity Interest Pursuant to Section 21 of the German Securities Trading Act.

According to Section 21 of the German Securities Trading Act, Wincor Nixdorf has to receive a notification if any person's equity interest reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights of Wincor Nixdorf AG. As of September 30, 2007 the following notifications exist:

| | Date | Equity interest |
|---|----------------|-----------------|
| Fidelity Management & Research Company, Boston, USA | April 7, 2006 | > 5% (5.46%) |
| New Star Asset Management Limited, London, Great Britain | March 15, 2007 | > 5% (5.40%) |
| Neuberger Berman, LLC, New York, USA | April 4, 2007 | > 3% (3.05%) |
| Schroders Holdings plc, London, Great Britain | April 30, 2007 | > 3% (3.21%) |
| Fidelity International Ltd., Hamilton, Bermudas | May 4, 2007 | > 5% (5.01%) |
| AKO Fund Limited, George Town, Cayman Islands | May 25, 2007 | < 5% (4.76%) |
| Threadneedle Asset Management Ltd., London, Great Britain | Sept. 28, 2007 | < 5% (4.96%) |

▶ 34 Statement of Compliance with German Code of Corporate Governance.

The Board of Directors and Supervisory Board of Wincor Nixdorf AG have issued the statement of compliance with the German Code of Corporate Governance according to Section 161 of German Stock Corporation Act, and have made it publicly available to the shareholders on the Wincor Nixdorf homepage.

Information reported pursuant to Section 15a of the German Securities Trading Act ("Directors' Dealings") can be obtained from our website (www.wincor-nixdorf.com).

▶ 35 Events after the Balance Sheet Date.

No events of particular significance have occurred after the balance sheet date.

Paderborn, November 22, 2007

Wincor Nixdorf AG, Paderborn



Heidloff
President and
Chief Executive Officer



Auerbach
Member of the
Board of Directors



Wilde
Member of the
Board of Directors



Dr. Wunram
Member of the
Board of Directors

AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by Wincor Nixdorf Aktiengesellschaft, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from October 1, 2006 to September 30, 2007. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to §315a Abs. 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with §317 HGB (Handelsgesetzbuch "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a

test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to §315a Abs. 1 HGB (and supplementary provisions of the shareholder agreement/articles of incorporation) and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Bielefeld, November 27, 2007

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

| | |
|-------------------------|-------------------------|
| Dr. Bartels-Hetzler | Rehnen |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| (German Public Auditor) | (German Public Auditor) |