



▶ Wincor Nixdorf stands for competitive processes and efficient workflow at bank branches and retail outlets ▶ Additional market share captured through customer-focused sales and services ▶ Banks tap Wincor Nixdorf expertise to strengthen branch network as important sales channel ▶ Intelligent networks between store and headquarters raise efficiency levels in the retail industry ▶ Tangible demand for Wincor Nixdorf expertise in other industries with branch structures

TECHNOLOGIES AND SERVICES FOR A GLOBAL COMMUNITY.

Every day, people all over the world come across the distinctive Wincor Nixdorf logo with its red stripe through the center. It adorns the ATMs in their bank, customer displays at their local store checkout and even the reverse vending systems in their supermarkets. It can be found, too, on many other devices. At post office branches, for example, specialist systems facilitate the package acceptance process, while Wincor Nixdorf POS solutions help speed up payment at restaurant chains and gas stations. What already appears to be a very diverse product range, however, is only the most visible part of a much broader portfolio.

Our expertise lies not just in producing and supplying advanced IT systems, but also in delivering complete solutions that comprise hardware, software and associated services – all tailored to the optimized design of processes at bank branches and retail outlets around the globe. As a global IT partner for transforming branch processes through information techno-

logy, we help customers improve their service to consumers and streamline their own process costs. Our portfolio of Professional Services includes consulting customers on necessary IT changes within their organizations as well as implementing and integrating solutions in their IT landscapes.

Complete Services. Another key requirement of our customers is for systems that combine the lowest possible downtime (high availability) with minimal operating costs. As a global service partner, we are in a position to respond to these demands with a comprehensive portfolio of product-related services.

In addition, our range of Managed Services covers specific management tasks, ensuring optimum availability at low cost or the accurate replenishment of ATMs. We can also take over responsibility of entire processes, such as the operation of an entire branch IT system or an ATM network as part of an outsourcing agreement.

The technical foundation that allows us to control and deliver our entire service portfolio is the "eServices Platform", which is linked to both our customers' systems and to our own service resources. The platform is a crucial component of our remote systems monitoring and control operations. It is responsible for automatically detecting of any disruption to customer systems, ordering the necessary action and resolving the issue according to a standardized procedure.

We monitor customer systems around the world, 24 hours a day, via online links from our 29 customer centers. We offer traditional maintenance and fault rectification as well as software and network management, in addition to safeguarding the security of customer IT networks. Our technicians are located near customers in many countries. What is more, we supply over one million spare parts per year worldwide from our distribution centers around the globe.

CUSTOMER SEGMENTS AND THE SALES FUNCTION.

In its various areas of business, Wincor Nixdorf enjoys long-standing relationships with well-known international customers, including 18 of the world's 25 largest banks (based on market capitalization) and all of Europe's 25 largest financial institutions. In the retail industry, our customers include 17 of the world's top 25 retailers and 19 of the top 25 European retailers (based on net sales). Over the past years, we have pursued a highly focused strategy, which includes growing internationally, increasing our in-house service capacity and software capability, and expanding our market share and profitability by significant margins. In Europe, we are the number two supplier of ATMs and the market leader in programm-

able ePOS (electronic point-of-sale) systems. Worldwide, we hold the number three position in each of these markets.

Being Close to Customers: a Business Model. We sell our products and services, primarily, through our own sales organization, as well as through sales and cooperation partners. Our business model is characterized by a high degree of proximity to the customer. We apply this model via our own subsidiaries in 36 countries; we have an overall market presence in more than 90 countries.

BANKING.

Within the financial sector as a whole, retail banks are keen to expand their sales activities and intensify their relations with customers. Wincor Nixdorf's role is to help these banks become more attractive to customers and structure their sales processes more profitably through the optimal use of their branch and self-service sales channels.

Information technology plays a key role in achieving these objectives. In addition to its critical technical role and the potential it offers for reducing costs, it is a vital factor in boosting revenue and innovation. Increasingly, banks are relying on information technology to boost their profitability by strengthening their sales operations. To that end, Wincor Nixdorf makes every effort to contribute to the restructuring of banks' essential branch and self-service sales channels and automation of these processes through the use of software and hardware. One of our core tasks is to support this entire process of change in a responsible fashion – from analysis, consultancy and design through to the implementation of solutions and their operation. Our services are primarily geared toward im-

proving the range and convenience of services available to the customers of banks and relieving their staff from routine tasks so that they can focus on consultancy and sales activities.

Versatile, Scalable, Comprehensive. Our overall portfolio covers a host of different products that can be combined to respond to the individual requirements of our customers and the changes they wish to implement. Among them: ATMs with scalable functions that, in the high-end category, include automatic cash deposit and dispensing, check deposit and posting; transaction terminals for account movements, transfers or ticket sales; multivendor products that are a key element of our software portfolio and that allow banks to operate terminals from different providers; and software modules for specific customer processes. We also offer a multichannel software package that allows the full range of IT-based operations to be tracked within the bank, including infrastructure, security, optimization and management and the processes that rely on them such as customer handling and business and transaction processing. Beyond the branch and self-service area, we ensure that the same customer functions and business processes are available across all the sales channels in use by the bank. In short, we make it possible for banks to optimize the availability of their IT systems in a highly cost-efficient manner, adapt them continuously to new developments and reduce their operating costs.

Services: Online and Modular. We make use of a global network of our own resources and those of our partners to supply product-related services for installing, servicing and maintaining customer systems. These services are complemented by standardized modular products geared toward the remote operation of IT systems. The uniform structure of these modules throughout the world makes them particularly attractive to our international customers.

The aims of Managed Services are:

- To achieve significantly higher availability rates for the entire systems landscape and, at the same time, a substantial reduction in costs compared to in-house concepts. By making it possible to control each linked system directly, we can improve both flexibility and transparency. These standardized services allow customers to adapt rapidly and flexibly to changing requirements, such as a higher or lower frequency of use of the systems.
- To control the entire process of supplying cash to the banks' ATMs through a central cash management system that can be used to optimize cash levels and replenishment cycles in the machines and to control the transport of cash.
- To set up and modernize complete branches. This package of services involves our taking responsibility on behalf of the customer for the integration of all ICT components and their operation across the entire product life cycle. Our service modules build on each other to allow for the effective integration of customers' resources, so that existing IT capacity can be extended to meet precise requirements.

Our Outsourcing portfolio covers the entire branch IT infrastructure and self-service value chain in an expandable modular form. It includes asset and site management, the operation of self-service systems and the management of

computer centers and networks. Other modules deal with cash and transaction management and back-office processes.

This Outsourcing concept relieves customers of the need to provide services that do not form part of their primary business, thus allowing them to focus on their own core competences. By outsourcing in this way, companies can also achieve a marked reduction in costs, improved system availability and greater flexibility in the use of resources thanks to standardization of systems and processes. At the same time, it helps accelerate the integration of new products.

RETAIL.

In order to survive and continue growing in a globally competitive market, retailers need to work hard to boost productivity and differentiate themselves from their competitors.

At the heart of any retail outlet lies the checkout. Wincor Nixdorf has particular expertise in this area. We are now applying our skills to retailers' entire branch operations in response to developments on the customer side. Retailers have relied on our know-how for decades. The checkout generates information which they need to control the sales process, order new products and manage the logistics chain. Other branch solutions, such as reverse vending systems and electronic shelf labels, also require this information. Furthermore, many international retailers have implemented ePOS that link their branches to central systems, thus creating global networks. These are based on standardized products such as our Beetle hardware and a uniform software platform that not only controls the supermarket's entire systems, but can also be integrated simply into central systems and adapted to meet

new requirements, such as expansion in a new country, without incurring major costs.

In addition to our proven expertise in the field of POS systems, we have considerable experience in providing integration services at retailers' head offices and across the supply chain as a whole. With a view to improving the efficiency of procurement systems and the structuring of product ranges, our subsidiary Wincor Nixdorf Retail Consulting offers a wide range of consulting services particularly focused on SAP and ECR (Efficient Consumer Response) processes.

Making our Customers More Successful. Our customers' drive to create more efficient processes and differentiate themselves from their competitors by offering a greater range of services leads us to identify four key priorities:

- Shoppers complain about long waits at the checkout, while retailers are preoccupied by high process costs. Intelligent new self-service systems help to improve checkout processes.
- Cash handling at the checkout and in the back office generates substantial costs and presents a security risk. In response, the rationalization of cash processes to control and automate the flow of cash offers considerable potential for savings and a greater level of security.
- As a means of retaining customer loyalty and offering an improved service, many retailers are turning to new ways of attracting customers using digital media, such as displays, that can present customized material in order to generate additional sales.

■ Transparent and effective management of branches can be achieved by using information in a targeted manner. This data must be able to flow uninterrupted at both central and branch level, as well as between these levels.

Retailers are responding to these challenges through a number of strategies. These include an increasing automation of their branch processes and migration to self-service as well as an ongoing optimization of their sales processes from the branch through to the head office level. Wincor Nixdorf has designed its portfolio with these developments in mind, placing a particular emphasis on the requirements of international retailers.

To cater to the shift to self-service in the checkout process, we provide a mix of conventional staffed checkouts and static self-service terminals. Our range of POS products is supplemented by our mobile self-scanning solutions. Other examples of self-service technology can be found in the reverse vending and kiosk systems based on our proven Beetle product. Our corresponding software portfolio includes solutions for the sales area and a standardized and internationally accepted payment interface for the processing of cashless transactions.

To automate the processes involved in the inward and outward movement of cash in retail outlets, Wincor Nixdorf has developed an extensive portfolio for integrated cash management within the sector. Our iCash family of products can handle the automatic dispensing of coins and banknotes at the checkout or their secure supply and removal in the back office. The control software communicates with existing POS solutions. The cash management portfolio covers everything

from the calculation of cash levels and advice on process design through to installation and support for existing operations.

Within the supermarket, Wincor Nixdorf supports its customers' efforts to appeal to consumers by offering expertise in the planning, installation and operation of systems (customer-facing technologies). This can also involve integrating kiosk systems, mobile shopping advisers, electronic displays or shelf labels and digital signs or large screens into our customers' IT landscape, possibly with the inclusion of customer card and loyalty programs.

In response to the growing trend toward internationalization and standardization, we provide software, such as our TP.net branch software, that can be quickly adapted to local requirements. By tracking processes from the branch through to the head office in this way, it is possible to minimize costs and increase efficiency. In addition, Wincor Nixdorf supplies software applications to control checkout and automation solutions, analyze data and manage systems.

Focusing on What Matters Most. To help retailers concentrate on their core business of selling, we have prepared a comprehensive portfolio of services that includes offering advice on the restructuring of processes, ranging from inventory analysis to the roll-out of new concepts. Our product-related services focus on assuring the maximum availability of all the systems installed at the customer's site, and thanks to our portfolio of Managed Services, we can take over the complete operation of their systems and applications. In short, we provide the best possible infrastructure for a more streamlined management, assume operational responsibility and optimize the running of everything from individual POS systems to entire IT and communications infrastructures.

EXPANSION INTO RELATED INDUSTRIES.

Wincor Nixdorf's extensive know-how, acquired over many years in the banking and retail industries, is also in demand in other industries – from postal operators and logistics providers to gas station and restaurant chains. We aim to convert this demand into further growth potential.

As for the extensive branch networks run by postal operators, which in terms of their structure resemble those of banks and retailers, our systems can be used to support the automation of potential self-service processes and, consequently, the shift from counter operation to self-service devices. We offer self-service systems such as ATMs with added functionality, such as the capability to issue postage stamps and weigh packages. In the area of counter systems, we offer specially adapted ePOS systems and peripherals such as scanners and weighing scales.

The Wincor Nixdorf portfolio includes complete in-store solutions for gas stations, terminals for lottery sales outlets and ePOS systems for restaurant chains. A number of gas station operators now use advanced ePOS systems running software such as "NAMOS compact," which can be used to monitor pumps and control car wash equipment.

Our modern self-service terminals are also used by restaurant chains, hotels and leisure parks. The products offered to these industries are mainly based on our BEETLE family of ePOS products used in the retail industry.

WINCOR WORLD: A TRADE FAIR FOR RETAIL BANKS AND RETAILERS.

Taking place at the beginning of each year, "Wincor World" has established itself as an event of international repute. This communications platform provides an opportunity for experts from the banking and retail industries to find out about the latest solutions designed to optimize business processes. At the same time, they can take advantage of the chance to meet with their industry counterparts.

Its mixture of exhibition space and accompanying presentations and symposia makes "Wincor World" a highly informative and attractive event. On the one hand, visitors are given a broad overview of the latest solutions and IT services; on the other hand, they are able to learn from the practical experience of others. Customers can discuss the use and integration of IT solutions in their business processes with other customers, company experts and independent consultants. Many of the 7,000-plus visitors to Wincor World 2007 came from outside Germany, while more than 70 well-known companies were also there as partners.

New to the retail industry: fast and secure payments by means of fingerprint. The all-in-one solution for POS and back office.



- ▶ Added value created through development partnerships with customers
- ▶ Solution and integration network strengthened by regional expansion
- ▶ Penetration of new market segments with portfolio of core technologies
- ▶ Next-generation solutions developed for intelligent deposit and cash cycle management
- ▶ Increase in R&D investment

UNDERSTANDING AND SUPPORTING OUR CUSTOMERS' BUSINESS EVEN BETTER.

Our development processes are shaped by the demands of our customers throughout the world and by advances in technology. Banks and retailers are faced with almost identical challenges: globalization, increasing competition and growing pressure on costs. The demands they make on their IT systems are correspondingly high, and there is a constant drive to optimize processes and procedures. Wincor Nixdorf supports this development through innovative hardware, software and IT services that allow users to simulate and manage increasingly complex procedures and business processes.

When it comes to the future development of our portfolio, our focus lies on the sales and service processes of banks and retailers' branch operations. To this end, we aim to increase the number of components and solutions that allow customers to simulate these processes.

Customers as Partners in Innovation. We are aware that we can only remain attractive to customers if we ensure that our products and services are capable of modifying their processes in a way that adds value. For this reason, we strive

to collaborate with them as closely as possible. Our aim is to involve and retain them as partners in our joint development. This step is fundamental in order to create a form of ongoing development that responds to their business needs.

For us, innovation is not merely a case of updating technology; it includes developing new models and concepts on behalf of and in collaboration with customers. These could, for example, take the form of higher-value services, such as outsourcing, whereby we assume responsibility for specific areas that do not form part of customers' core business activities. One key extension to our modular Outsourcing portfolio involves our taking over responsibility from banks and retailers for processing transactions between terminals and the bank host. Another example of our comprehensive service package is our New Store Opening concept, which aims to facilitate the entry of global retailers into new markets by providing them with a complete information and communications infrastructure that is ready for operation and integrated into the Group's overall system landscape. We have also made further improvements to our Professional Services portfolio, which covers integration and implementation services and is delivered by our dedicated consulting firms.

The close relationship we have with our customers around the globe remains a key factor in our success and has led to the growth of our solution and integration network as part of our regional expansion strategy. By drawing on the resources distributed across our Solution Competence Centers, we can adapt our standard portfolio more quickly to meet the local needs of customers and, at the same time, translate lower costs into a tangible competitive advantage for our own company.

By adapting our established base technologies, we have increasingly been able to transfer our knowledge into other areas of activity. For example, we have modified the solutions in our standard portfolio for use by postal operators in their counter and self-service environments. An example of how existing products can be modified and applied to other sectors is the casino industry, where self-service systems can be used to pay out winnings.

We also benefit from the fact that banks and retailers are meeting the challenges of the future by adopting processes that, from a technological perspective, are increasingly similar. This convergence opens up many opportunities in a wide range of areas. We can, for example, make profitable use of our technological know-how in the field of self-service, cash deposit and recycling solutions and net-centric software architectures.

Another key demand of customers is for systems that are highly reliable and provide excellent support for their information and communications infrastructure throughout the entire product life cycle. In response to these demands, we have made further improvements to our Managed Services portfolio.

Our research and development activities are geared, within well-defined guidelines, toward a number of key areas of innovation, with a view to making continuous improvements in customer processes.

FOCUS OF RESEARCH & DEVELOPMENT.

Intelligent Deposit. The task of further improving and adapting our intelligent deposit technology to meet the demands of international markets remains one of our most important areas of focus. This includes, for example, the intelligent deposit of cash and checks and the automation of reverse vending systems in the retail industry. Our banking solution tests cash and checks for authenticity using precise, cutting-edge image processing technology. The solution enables the entire crediting/debiting process to be automated.

Cash Cycle Management. Our long-term aim is to optimize the cash cycle across the full spectrum of cash points, including checkouts, teller safes and ATMs at banks and retail outlets. We develop our products and solutions with a view to integrating them into the highly complex cash cycle process. Individual process simulation modules, such as ATMs with a cash recycling function, software to optimize replenishment intervals at cash points and our automated cash handling systems for use by retailers, are already available. Our aim now is to complete and further develop this portfolio to ensure the efficient, local and demand-oriented circulation of cash in what is known as a closed cycle.

Net-centric Software. Net-centric software helps our customers in the banking and retail industries further reduce their costs over the entire period of use (total cost of ownership). This approach avoids the need to store the full software on the ATM or checkout system. Instead, the software is kept on a central server, helping cut costs associated with software distribution and maintenance. Software that has been developed in this way can – with additional functionality – also be used in other industries, such as post offices and gas station operators.

Control and Monitoring of Customer Systems.

Another important area of innovation is the further development of services that involve Wincor Nixdorf taking control of the entire operation and management of complete information and communications infrastructures, spanning the full product life cycle. We refer to this as Managed Services. Our aim is to ensure that customers benefit from a high degree of reliability and a cost-efficient service. In order to optimize our own service processes, we work constantly to achieve a greater level of standardization and automation of these internal processes.

Security. The issue of security is a top priority of our customers. We are working on the intelligent linking of innovative base technologies as a means of making further improvements to existing concepts covering the protection of IT networks against virus attack, the security of data communications and anti-manipulation protection for our systems.

To consolidate our position as a leading innovator, we have boosted spending on research and development by an average of around 10% in recent years. As a proportion of net sales, that means a consistent R&D ratio of 4.5%.

A total of 843 staff (as at September 30, 2007) are committed to implementing this strategy of innovation at our seven development centers in Germany as well as in Burgdorf (Switzerland), Singapore, Shanghai and Boston. Our core competences are in the field of mechatronics, the development of embedded software, platform and applications software and image recognition. We also generate valuable know-how from the fundamental research conducted by leading technology organizations with whom we have established targeted partnerships. All our research and development activities form part of the efforts being made across the entire Group to reduce production costs. In collaboration with our suppliers, we aim to create a transparent picture of their processes, allowing us to identify the best production option and so improve our competitive position.

Our team of around 8,400 employees is considered the most valuable asset within our company. It is with this in mind that we accord particular importance to staff training and development.



- ▶ Certified environmental management expanded throughout Group
- ▶ Further reduction in CO₂ emissions
- ▶ New staff training and communication platforms worldwide – online and off-line
- ▶ Compliance program instills culture of responsible governance
- ▶ Successful launch of Caritas partnership to integrate staff with disabilities

FOCUSING ON PEOPLE AND THE FUTURE.

As an organization acting and producing at international level, Wincor Nixdorf is involved in wider global, social and socio-political events and circumstances. With this in mind, it is our belief that we can only remain successful over the long-term by adopting a sustainable approach to our business activities. As regards the way we conduct ourselves, we are committed to achieving a balance between economic, environmental and social objectives. This is essential if we wish to enjoy the confidence of the public over the long term. Success and acceptance can only be achieved by creating something of lasting benefit. At Wincor Nixdorf, sustainability means economic growth that is accompanied by a commitment to protect our environment, support our staff and translate our social responsibilities into positive action.

CARING FOR THE ENVIRONMENT – TAKING RESPONSIBILITY – OPTIMIZING PROCESSES.

Environmental Guidelines at Wincor Nixdorf. Protecting the environment lies at the heart of our corporate strategy, which aims to promote sustainable, long-term growth. One of the ways in which we contribute towards the goal of sustainable development is by taking care to use a minimum of natural resources. We take a holistic approach that begins at the development stage and covers production, deployment, recycling and safe disposal. Our aim is to avoid or minimize any environmental impact by imposing strict guidelines that, in part, go beyond the requirements of current legislation.

Environmental Management System. Wincor Nixdorf has implemented an environmental management system across the entire organization. This system forms the basis for further systematic development of measures to protect the environment. Our aim here is to optimize all our processes in order to improve the organization's balance of services still further. During the year under review, we gradually extended the regular certification of management systems under DIN EN ISO 14001 to more of our subsidiaries. All the Group's production-oriented companies have now been audited.

Reducing Emissions of Climate-changing Substances. We take the threat of climate change very seriously and search for ways across our entire global production network by which we can further reduce our CO₂ output. In Germany, for example, we are cutting our emissions using advanced cooling and heating plants. Our modern cogeneration plant in Paderborn is based on combined heat and power (CHP) and saves around 5,000 metric tons of CO₂ per year. We are also commissioning a new turbo cooling system that works on the same principle as a cooling compressor. Thanks to its improved performance, it uses less power and produces lower emission levels. We are also active as sellers in the emissions trading market.

Compliance with Statutory Environmental Protection Regulations. Protecting the environment matters to us. Therefore, we endeavor not only to comply with statutory requirements but to go beyond them in our careful use of resources. By way of example, we are implementing the

European Directive entitled Restrictions on the Use of Hazardous Substances in Electronic Equipment (RoHS) in all our global production facilities. Another key focus of our environmental activities is the European Directive on the Return and Disposal of Waste Electrical and Electronic Equipment (WEEE). All the necessary measures to ensure the proper implementation of both directives were finalized by Wincor Nixdorf during the year under review.

Sustainable Products and Production. At Wincor Nixdorf, we believe that our duty to protect the environment is part of an ongoing process. We are not content to rest on our laurels but continue to search for even better solutions. Protecting the environment involves much more than just the production process; it covers the entire life cycle of our products, from their development and manufacture through to their subsequent use and recycling. As early as the development stage, we aim to create durable products and to avoid using environmentally damaging substances. Furthermore, we are about to commence operation of a new painting shop that, from an environmental perspective, provides a number of important benefits: low-solvent and solvent-free painting systems, greater energy efficiency thanks to heat-capture technology and a significant reduction in wastewater.

Not only are we reducing the amount of materials we use, we place great emphasis, too, on their reusability. If it is not possible to reuse old equipment as a complete unit, it can be given a new lease of life by extracting components and sub-assemblies for use as spare parts.

FOCUS ON PEOPLE.

Our success depends on the men and women who make up our workforce. It is the 8,400 employees on every continent who are responsible for creating the Group's image as seen by our customers and business partners around the world. The commitment of each one of these employees in his or her particular field is vital if we are to keep our customers satisfied and thus ensure the long-term success of Wincor Nixdorf. Consequently, we see the task of supporting our existing employees and recruiting highly qualified and dedicated people to our organization as a crucial ongoing responsibility.

Wincor Nixdorf places great importance on the training of our future workforce. Even during periods where there is a shortage of apprenticeships, we offer young people opportunities and prospects at an international level and training in a range of careers. Our principal focus here is on Germany, our single biggest location, from where all our training activities, including international placements, are initiated and directed.

In addition, we collaborate with a number of regional universities to offer a dual education/training program. We aim to extend and further develop these existing partnerships.

Improving Quality through Knowledge and Skills.

Our staff play a significant role in meeting and often exceeding the expectations of our customers and investors. It is vital, therefore, that we invest in measures to support, train and qualify employees. To ensure that they are adequately prepared for their specific duties, we make every effort to promote a systematic exchange of knowledge between members of the workforce and to enhance their skills by means of training courses and seminars.

During the year under review, we again increased our range of professional development opportunities. Throughout the world, our staff can attend a large number of workshops, courses and training modules in a wide range of subjects in order to gain further qualifications. Alongside these more traditional approaches, we also offer a variety of seminars and online modules via the Group's live e-Training platform as a further way of providing for their professional development. The live e-Training concept also strengthens the Group's internal communications, allowing colleagues from different countries to come together in virtual groups to hold joint conferences and training courses and to exchange knowledge and information.

In setting up a Project Management Center of Excellence, our aim was to ensure that even highly complex projects are dealt with in a professional manner and to improve the way in which we collaborate with our customers and partners outside the Group. To this end, Wincor Nixdorf provides training for its employees using a standardized and accredited program based on established standards, to equip them to handle

future projects even more quickly and efficiently. In turn, this should allow us to recruit more project managers from within our own ranks and retain expertise within the organization. This program has already proven its worth in Germany, and we intend to roll it out internationally in the near future.

We place great value, too, on other programs geared towards increasing the cultural awareness of our staff. This is not only important given the international nature of our workforce but also in view of our global customer base. We offer language courses and training to broaden the intercultural skills of the workforce.

Networking and Knowledge Transfer at International Level. We promote the exchange of experience and information on products, projects and solutions across the entire Group. With this objective in mind, in fiscal 2006/2007, we held the first International Technical Support Conference, which was attended by staff from different divisions and countries, at our headquarters in Paderborn. During the discussions, technical experts from sixteen countries focused on the optimization of products and processes from a services perspective.

This exchange between colleagues from different divisions is also facilitated by our Peer Group program, which involves bringing staff together from across the organization, to transfer and network their knowledge and to jointly develop management skills and techniques.

During the year under review, we continued our international Young Professionals staff development program, which is designed to prepare employees for management positions over the medium term.

Fiscal 2006/2007 saw the launch of Wincor Nixdorf's Knowledge Forum, an internal communications platform created by staff for staff. Those interested can request information from their colleagues on different issues related to their work and use the Forum as a platform to discuss complex subjects. The next step will be to roll out the project internationally and thus make it available across the entire Group.

Building the Future Together. It is Wincor Nixdorf's creative workforce that lies behind our capacity to innovate. To let this potential unfold, we believe it is necessary to allow employees a degree of freedom and give them responsibility. We want all our staff to be committed to the ongoing process of improving efficiency, to be able to respond flexibly to our customer's needs and to contribute towards the development of new products and services. We are open to suggestions from the workforce and welcome creative ideas and contributions that help to enhance quality and thus boost the organization's competitiveness. During the year under review,

around nine hundred proposals were submitted suggesting ways in which we can reduce costs and optimize our products and processes. Thanks to these proposals, we were able to make savings of almost €2.5 million.

In the same way, we strive to help each and every employee to be involved in the process of change within the organization. Focus groups made up of staff from different departments have been set up to solve specific problems. One example of this is the search conducted by QA teams for ways of optimizing the quality and efficiency of processes and products.

Rewarding Good Performance. Wincor Nixdorf has a tradition of rewarding the contribution made by employees towards the success of business. This principle is a key element of our remuneration policy, which takes into account both individual performance and the Group's results. This encourages staff around the world to give their best and identify themselves with the organization. To this end, for a large part of the workforce, the remuneration system involves a number of variable components based on the economic success of the Group and the results obtained in each area.

New Dialog Solutions for Staff and Public. Communication generates trust, heightens transparency and acts as a vehicle for the transfer of knowledge. For this reason, we believe it is important to communicate openly, both within and outside the organization.

The last fiscal year saw a particular effort to consolidate and expand our communications with the public. To achieve this, we make use of a wide range of information channels at international level: we publish in online and off-line media, supply appropriate press releases to journalists worldwide and ensure that we are actively represented at trade fairs and seminars. Our external communications are also targeted at the capital markets with whom we maintain regular contact (see also the section entitled Stock).

To improve Group-wide communications with the whole spectrum of interested parties, we have redesigned our website, which now features additional content, a modern layout, a simpler structure and faster navigation, giving visitors a clearer picture of what our organization is all about.

We make full use of our global sales organization to conduct an intensive dialog with customers, including special business events at which we promote an ongoing exchange of information and experiences. Some of these are organized by the company itself, such as the international "Wincor World" trade fair, our "International Management Seminar" and the international "Retail Banking Conference", which is run in collaboration with the internationally renowned German financial journal *Börsen-Zeitung*. Along with a number of other specialist banking conferences, these events have become an established part of our customer communication activities.

Internally, we place tremendous importance on making information about important business developments available promptly to all employees throughout the organization. In certain areas, we achieve this through information media designed in-house. During the year under review, for example, we published a newsletter for German staff to keep them informed about implementation of the framework pay agreement. We also expanded our Group-wide intranet and provided specific communications platforms for our subsidiaries in other countries.

SOCIAL RESPONSIBILITY.

Guiding Principles. Operating as a global enterprise, Wincor Nixdorf's success within the business arena is, in large part, attributable to the company's policy of social and ethical responsibility and adherence to applicable laws as a basis for all activities worldwide. In order to prepare our employees for the increasingly complex demands of a globalized environment and provide suitable guidance within this area, we have implemented a far-reaching compliance program. In accordance with the provisions set out by the compliance program, all employees are obliged to adhere to applicable laws. The program also includes a global Code of Conduct, with which our managers and staff must comply at all times. As an integral element of the above-mentioned program, the Code of Conduct defines standards for good and responsible corporate governance and documents the fundamental principles of social responsibility to be applied by all Wincor Nixdorf employees worldwide. Beyond this, the compliance program introduced by Wincor Nixdorf includes a number of other cross-company regulations that are designed to supplement the Code of Conduct.

For the purpose of implementing the compliance program, Wincor Nixdorf has established a global compliance organization headed by the Chief Compliance Officer. The Chief Compliance Officer of Wincor Nixdorf reports to the Board of Directors as well as the Audit Committee of the Supervisory Board. Each regional company operated by Wincor Nixdorf has

its own Regional Compliance Officers responsible for implementing the compliance program within their respective areas of authority. They report directly to the Chief Compliance Officer. The Compliance Officers ensure that staff remain fully briefed on the requirements of the compliance program, in addition to acting as the key point of contact for possible contraventions of compliance regulations.

If it is to remain successful, it is essential for Wincor Nixdorf to be accepted internationally. With this in mind, wherever we are around the world, we make every effort to be a reliable and attractive employer and one that takes its social responsibilities seriously.

Supporting Education and Science. We want to help young people find their way into the world of business. At international level, we support young academics and scientists through a variety of initiatives and projects. We conduct a range of studies together with universities and polytechnics and ensure that we have access to the latest research in our field by awarding dissertation places, student grants and teaching contracts, and by engaging in direct interaction with the academic and scientific community. In turn, our own expert speakers give lectures and seminars at various university faculties.

We plan to expand and systematize these activities internationally and to coordinate them across the Group. To this end, we endeavor to form relationships at local level with suitable higher education establishments.

Some of the most outstanding examples of our work with academic institutions involve our long-standing link to the Heinz Nixdorf Institute at Paderborn University, and other Universities of Applied Sciences throughout the region, in the field of mechatronics, and to the Fraunhofer Institute in the development of technologies aimed at increasing ATM security. We also provide selected institutions with support in the form of hardware and software.

Wincor Nixdorf maintains close links with schools. Our aim here is to interest young people at an early stage in the discipline of information technology and to offer pupils an opportunity to see how science and technology can be applied in practice. In Germany, for example, we arrange work experience placements, hold project days and support national competitions and campaigns.

Regional Involvement/Public Sector Exchanges.

As a way of intensifying the level of contact and exchange we have with institutions and establishments outside the private sector, for the last three years, we have run an exchange program with certain parts of the public sector. This involves our own staff swapping their desks for a specific period with employees from public-sector organizations. The program allows managerial staff from Wincor Nixdorf and their counterparts in the public sector to familiarize themselves with each other's particular activities, methods of organization and work, and to contribute directly to the overall process by applying their individual skill sets.

Fulfilling our Responsibility towards the Disabled.

Our social commitment includes supporting those with physical disabilities. We are involved in a number of international projects together with charitable organizations to help disabled people gain qualifications, to facilitate access to the labor market and to support them through the exchange of information. In France, for instance, Wincor Nixdorf has installed the very first kiosk terminals equipped with specific features and functions tailored to the requirements of an organization of this kind.

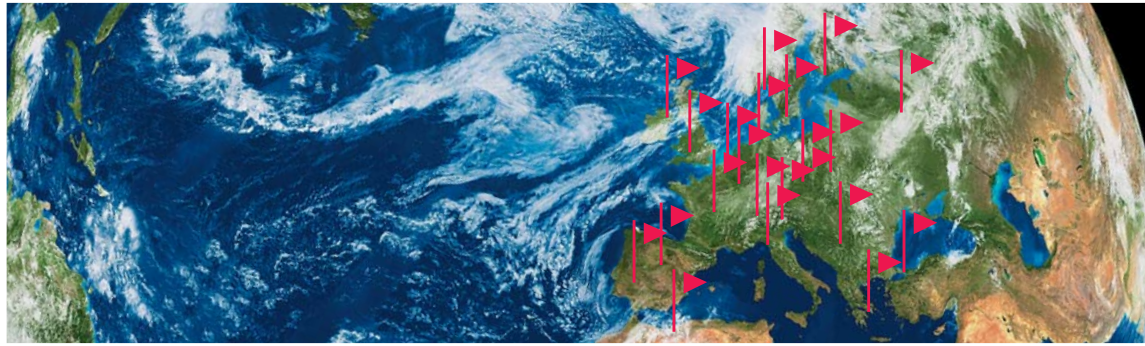
The initial phase of the project has been very successful, and a further rollout of the program is planned.

When designing products and systems, we ensure that they are both functional and suitable for the disabled. In the area of banking, for example: with our technology, disabled people are able to manage their banking tasks independently thanks to ergonomically designed keys and controls, voice-driven menus, large numeric keys with special embossed characters and ATMs that can be operated from a wheelchair. Wincor Nixdorf has received several awards for its work in this field, including the German Design Award, presented by the Federal Ministry of Economics and Technology.

In collaboration with the German Society for the Blind and Visually Impaired (DBSV), we aim to design all our ATMs in such a way that blind and visually impaired customers can easily perform their own cash transactions using self-service systems. This, of course, involves complying with international standards on ergonomic design.

Members of Wincor Nixdorf staff are also actively involved in regional community work. For instance, on their own initiative, a number of Wincor Nixdorf employees based in Paderborn have registered as potential donors with the German Bone Marrow Donation database (German acronym DKMS). In this way, their stem cells can be used to help others with life-threatening illnesses.

Working in close collaboration with Caritas, Wincor Nixdorf's production facility in Paderborn initiated an integration project that can be seen as new benchmark within the industry: disabled people perform simple tasks within the company's overall production process. Some of them are employed on site, while the majority of assistants are based at the local workshop for disabled people in Paderborn. This latest initiative complements a project already implemented by the company several years ago, as part of which Wincor Nixdorf collaborates with several workshops for disabled people. Within this context, those taking part in the project are able to perform the required tasks at various locations. In total, around 75 disabled people are currently participating in the two initiatives.



FOREIGN SUBSIDIARIES.

Algeria

Wincor Nixdorf EURL
Algeria Business Center
Pins Maritimes
16240 Mohammadia
Phone +213 2189 11 30
Fax +213 2189 11 31

Austria

Wincor Nixdorf GmbH
Guglgasse 7-9
1030 Vienna
Phone +43 1 74 33 03 00
Fax +43 1 74 33 03 02 20

Belgium

Wincor Nixdorf S. A./NV
Ikaros Business Park
Ikaroslaan 45
1930 Zaventem
Phone +32 27 12 94 60
Fax +32 27 12 94 99

Brazil

**Wincor Nixdorf
Soluções em Tecnologia
da Informação Ltda.**
Avenida Guido Caloi 1935
Térreo Bloco C
05802-140 - São Paulo -
Brazil
Phone +55 11 55 16 13 32
Fax +55 11 55 16 13 31

China

**Wincor Nixdorf
Retail & Banking Systems
(Shanghai) Ltd.**
Block 70, No. 36 Yiwei Road
Waigaoqiao Free Trade Zone
200313 Shanghai
Phone +86 21 3871 9689
Fax +86 21 5046 1625

Wincor Nixdorf (Hong Kong) Ltd.

11/F, Southwest
Somerset House
Taikoo Place
979 King's Road, Quarry Bay
Hong Kong
Phone +852 28 04 10 89
Fax +852 29 05 10 99

Czech Republic

Wincor Nixdorf s.r.o.
Evropska 33 a
16000 Prague 6
Phone +420 2 33 03 41 10
Fax +420 2 33 03 41 19

Denmark

Wincor Nixdorf A/S
Tempovej 14
2750 Ballerup
Phone +45 44 77 89 10
Fax +45 44 77 89 22

Finland

Wincor Nixdorf Oy
Nuijalantie 13
02630 Espoo
Phone +358 2 07 52 05 20
Fax +358 2 07 52 05 02

France

**Wincor Nixdorf SAS
Banking Division**
10, Rue du fort de St-Cyr
78180 Montigny le Bretonneux
Phone +33 1 30 14 95 00
Fax +33 1 30 14 95 10

Retail Division

Immeuble Le Capitole
55, Avenue des
Champs Pierreux
92012 Nanterre Cedex
Phone +33 1 46 69 78 78
Fax +33 1 46 69 78 99

Greece

**Wincor Nixdorf
Information Systems S.A.**
14th km, Athens -
Lamia Nat. Road
Zip Code 14564
P.O. Box. 51399 - Kifisia
Phone +30 21 06 24 08 00
Fax +30 21 06 24 09 00

Hungary

Wincor Nixdorf Kft.
Kunigunda útja 58
1037 Budapest
Phone +36 1 430 2550
Fax +36 1 430 2560

Indonesia

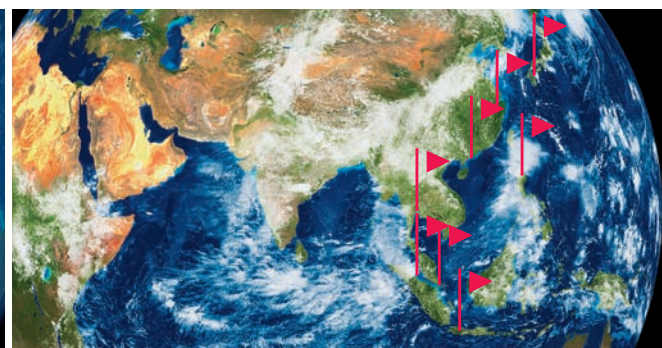
**PT. Wincor Nixdorf
Indonesia**
Sentra Mulia Building
6th Floor #606
JL. H. R. Rasuna Said
Kav. X-6 No. 8
Jakarta Selatan 12940
Phone +62 21 25 52 79 00
Fax +62 21 25 52 79 99

Ireland

Wincor Nixdorf Ltd.
2015-2016 Orchard Avenue
Citywest Business Campus
Dublin, 24
Phone +353 1 66 09 60
Fax +353 1 630 92 09

Italy

Wincor Nixdorf s.r.l.
Centro Direzionale Milanofiori
Strada 2, Ingresso C3
20090 Assago MI
Phone +39 02 52863 1
Fax +39 02 52863 835



Malaysia

Wincor Nixdorf (M) Sdn Bhd
Suites E-13A-20,
Plaza Mont' Kiara
No. 2 Jalan Kiara
50480 Kuala Lumpur
Phone +60 3 62 04 60 00
Fax +60 3 62 01 96 99

Mexico

**Wincor Nixdorf México
S. A. de C.V.**
Av. Mariano Escobedo
No. 510 Piso 12
Colonia Anzures
C.P. 11590 Mexico City

As from January 1, 2008:
Campos Eliseos #400 Piso 14
Col. Palmitas Del. Hidalgo
C.P. 11560 Mexico City
Phone +52 55 3300 5243
Fax +52 55 3300 5210

Morocco

Wincor Nixdorf S. A.
226, Boulevard Zerkouni
20000 Casablanca
Phone +212 22 49 09 09
Fax +212 22 47 10 72

Netherlands

Wincor Nixdorf B.V.
Binckhorstlaan 287A
2516 BC The Hague
Phone +31 70 3 49 59 59
Fax +31 70 3 49 59 99

SecurCash B.V.

Kiotoweg 221
3047 BG Rotterdam
Phone +31 10 238 33 55
Fax +31 10 238 33 59

Norway

Wincor Nixdorf A/S
Strømsveien 102
0663 Oslo
Phone +47 23 05 26 00
Fax +47 23 05 26 01

Poland

Wincor Nixdorf Sp. z o.o.
ul. Popularna 82
02-226 Warsaw
Phone +48 2 25 72 42 00
Fax +48 2 25 72 42 09

Portugal

Wincor Nixdorf Lda.
Edifício Prime
Av. Quinta Grande, 53 –
piso 5 – fracção A
Alfragide
2614-521 Amadora
Phone +351 2 10 06 90 50
Fax +351 2 10 06 90 80

Russian Federation

Wincor Nixdorf LLC
Petrovka str. 15/13, build. 5
107031 Moscow
Phone +7 (495) 739 2300
Fax +7 (495) 739 2300

Singapore

Wincor Nixdorf Pte Ltd.
2 Kallang Sector
Singapore 349277
Phone +65 67 47 38 28
Fax +65 67 47 15 77

Slovakia

Wincor Nixdorf s.r.o.
Vajnorská 98/D
83104 Bratislava
Phone +421 2 49 25 81 11
Fax +421 2 49 25 82 11

South Korea

Wincor Nixdorf Ltd.
7th Fl. Bookook
Securities Bldg.
34-2 Yeouido-Dong
Yeoungdeungpo-Gu
Seoul 150 995
Phone +82 2 78 71 50 00
Fax +82 2 78 71 59 99

Spain

Wincor Nixdorf S.L.
Valportillo Primera, 11
Polígono Industrial Alcobendas
28108 Alcobendas – Madrid
Phone +34 91 484 3800
Fax +34 91 484 3883

Sweden

Wincor Nixdorf AB
Anderstorpsvägen 12
Box 53
17174 Solna
Phone +46 84 70 09 00
Fax +46 84 70 09 99

Switzerland

Wincor Nixdorf AG
Stationsstrasse 5
8306 Brüttisellen
Phone +41 44 835 34 00
Fax +41 44 835 35 00

BEB Industrie-Elektronik AG

Progressastrasse 31
3414 Oberburg

As from January 1, 2008:
Oberburgstrasse 10
3400 Burgdorf
Phone +41 34 420 88 33
Fax +41 34 420 88 39

Taiwan

Wincor Nixdorf Ltd.
9 Floor,
No. 496 Rueiguang Road
Nei-Hu District
Taipei 114, Taiwan R.O.C.
Phone +886 2 87 98 11 68
Fax +886 2 87 98 11 58

Thailand

**Wincor Nixdorf (Thailand)
Co. Ltd.**
889 Thai CC Tower
Unit 309, 30th Fl.
South Sathorn Road
Yannawa, Sathorn
Bangkok, 10120 Thailand
Phone +66 2672 3999
Fax +66 2672 3909

Turkey

**Wincor Nixdorf
Bilgisayar Sistemleri A.S.**
Kosuyolu Mahallesi
Cenap Sahabettin Sok. No. 43
81020 Kadikoy-Istanbul
Phone +90 21 65 45 18 38
Fax +90 21 65 45 18 30

United Kingdom

Wincor Nixdorf Ltd.
Alba House
Mulberry Business Park
Fishponds Road
Wokingham
Berkshire RG41 2GY
Phone +44 11 89 36 50 00
Fax +44 11 89 36 50 71

Datalect Group Ltd.

Perivale Business Centre
12 Aintree Road
Perivale
Greenford
Middlesex UB6 7 LA
Phone +44 20 89 97 44 04
Fax +44 20 89 91 25 58

USA

Wincor Nixdorf Inc.
8505 Cross Park Drive, Ste 300
Austin, TX 78754
Phone +1 512 252 5622
Fax +1 512 252 5699

Venezuela

Wincor Nixdorf C.A.
Av. Paseo Colón
Edificio Polar Torre Oeste, Piso 13
Plaza Venezuela, Los Caobos
Caracas 1050-A
P.O. Box 60167
Phone +58 212 794 18 18 ext. 89 00
Fax +58 212 794 18 18 ext. 89 02