



Dear Ladies and gentlemen,

Once again, Wincor Nixdorf can look back on a successful year, in which net sales rose to €2.145 billion and EBITA to €186 million. For the third year in succession, we have thus achieved double-figure growth in both net sales and operating profit, thereby demonstrating the success of our strategy and our ability to meet the expectations of our customers excellently.

As our shareholders, it is right that you should benefit from these accomplishments. Thus, the proposal submitted to the Annual General Meeting of Shareholders will be for a dividend payment of €2.73 per entitled share. This represents a 95 percent increase compared with the previous year.

In putting forward this proposal, we have again underlined our commitment to the overall dividend policy announced as part of our IPO in 2004. In line with this policy, we apply a figure equivalent to approximately half of the Group net profit before carve-out charges as the basis of our dividend calculation. This corresponds to a proposed dividend of around €1.83 per share for the fiscal year under review. Beyond this,

the above-mentioned dividend proposal of €2.73 includes an extra dividend amount of €0.90 per share. For further details, please refer to the "Stock" section of this annual report.

Taken as a whole, this short review points to a period of continued success. It is a continuity, however, that is based on change in the form of improvements within the entire Group and our individual business activities. The growth of our core business is just one side of the coin, the other being that of assuring our future through innovation and the development of new markets.

At this point, I would like to draw your attention to some of the most outstanding successes of the last year:

We have strengthened our position as a leading innovator. Thanks to our success in the high-end market of banking and retail customers, we further strengthened our position as an innovative provider of solutions. These include intelligent hardware and software solutions for process automation and new modular products that help to maximize the cost-efficient operation of IT systems. In the increasingly important field of software, we attracted new customers throughout the world and implemented a number of highly demanding projects.

To ensure our continued success in the role of innovator, we place great emphasis on the contribution made by research and development. For this reason, not only have we increased the number of staff involved in R&D, we have also boosted spending by a significant margin. Ten percent of our entire employees and 4.5 percent of net sales are now dedicated to research and development and the search for new products and solutions.

We have benefited from the globalization of our business. Thanks to our innovative strength, we have been able to increase our share of the more established markets, in addition to making good progress in those markets considered to have particularly attractive prospects for growth. This applies not

only to the fast-growing regions of Eastern Europe, Latin America and Asia, but also to the key U.S. market, where we laid the foundations for a much more rapid expansion of our business.

In order to prepare ourselves even better for the intense global competition ahead in the field of production, and to provide a suitable launch pad from which to respond more directly and immediately to market developments, especially in the Asian region, we have expanded our production capacity and our solutions integration resources in China and reinforced our development capacity in Singapore. We have also expanded our presence in other regions, such as Eastern Europe and the Middle East, and now have our own subsidiaries in Russia and Algeria.

We have made further improvements to our performance.

Our continuing success depends on our achieving profitable growth and making ongoing improvements to our cost structures. To this end, during the year under review, we redoubled our efforts to streamline costs, an approach we shall continue to pursue. As a result, we were again able to reduce our spending within the area of selling, general and administration. We also achieved a modest increase in our gross margin as a percentage of net sales.

Last but not least, **we are making excellent progress as a solutions provider by taking responsibility for all change processes associated with our customers' branch and self-service sales channels.**

Technology is only one of the factors driving growth in our business. It is equally important to identify the needs of customers and to translate them into appropriate solutions. Together with our customers, we have developed business and partnership models that allow us to expand our service portfolio and give greater depth to our value chain. By way of example, this may involve the monitoring of SB networks or running entire IT systems on our customers' behalf.

These and other steps forward are a result of the consistent implementation of our growth strategy, which we again refined during the year under review. This strategy is based on the expansion of our global presence, building on our strength in Europe, the consolidation and expansion of our market position as a leading innovator worldwide and growth in high-end services and related sectors.

Underlying all these accomplishments is our workforce, whose commitment is much appreciated. Especially given the high-tech nature of our business, it is their superb performance, talent for innovation and ability to gain the trust of our customers that make all the difference.

Looking ahead at the current fiscal year 2007/2008, we are confident that we can build on the success of previous years. Our aim is to exceed the targets of 6 percent in net sales and 8 percent in EBITA set as our annual growth guidance at Wincor Nixdorf's initial public offering in 2004. We plan to increase net sales by 8 percent and EBITA by 10 percent in the current fiscal year 2007/2008, on the back of strong growth in markets outside Germany and the expansion of our banking operations.

Both now and in the future, our success also depends on the confidence our customers show in our ability to deliver what they need. I would like to express my gratitude for that vote of confidence and promise both our long-established and more recent customers that we will make every effort to remain worthy of it.

My appreciation also goes to you, our shareholders, for your trust and constructive support. Rest assured that we shall continue to dedicate ourselves wholeheartedly to the task of maintaining our current position and creating new opportunities.

Sincerely, C He

Eckard Heidloff



Rainer Pfeil

|| Senior Vice President,
Human Resources

|| Born 1962. || Joined Wincor Nixdorf in July 2001; since then member of the Executive Board; responsible for Human Resources.

Jürgen Wilde

|| Member of the Board of Directors
(until January 28, 2008)

|| Executive Vice President

|| Born 1947. || Joined Nixdorf in 1972 || Member of the Board of Directors, since October 2005.

Stefan Auerbach

|| Member of the Board of Directors

|| Executive Vice President,
Banking

|| Born 1963. || Joined Nixdorf in 1983. || Member of the Board of Directors, since October 2005; responsible for the Banking business.

Eckard Heidloff

|| President & Chief Executive Officer

|| Born 1956. || Joined Nixdorf in 1983. || President & CEO since January 29, 2007.

Dr. Jürgen Wunram

|| Member of the Board of Directors

|| Executive Vice President,
CFO, COO

|| Born 1958. || Joined the company in March 2007 and since then member of the Board of Directors; responsible for finances.



Reinhard Rabenstein

|| Senior Vice President,
CTO

|| Born 1954. || Joined Nixdorf in 1980. || Since October 2005 Member of the Executive Board and Chief Technology Officer; responsible for product and software development for the company's banking business.

Jens Bohlen

|| Senior Vice President, Services

|| Born 1962. || Since November 2006 at Wincor Nixdorf and member of the Executive Board; responsible for the worldwide IT services business for banking and retail companies.

Dr. Herbert Machill

|| Senior Vice President,
Retail

|| Born 1960. || Joined Wincor Nixdorf at October 2007 and since then Member of the Executive Board; responsible for the worldwide business with retail companies.

Khoon Hong Lim

|| Senior Vice President,
Region Asia-Pacific

|| Born 1951. || Joined Nixdorf in 1988. || Member of the Executive Board since October 2005 and responsible for Group business in Asia-Pacific.

Javier López-Bartolomé

|| Senior Vice President,
Region Americas

|| Born 1959. || Joined the company in 1997. || Member of the Executive Board since 1999; responsible for the Group business in the Americas as well as Spain and Portugal.



Dear Shareholders,

Wincor Nixdorf AG was successful in maintaining its forward momentum in fiscal 2006/2007. The company further strengthened its position as one of the premier suppliers of IT solutions to the retail banks and retailers. The program aimed at raising efficiency levels produced an additional boost to competitiveness within the international business arena. As was the case in previous years, the company recorded another increase in net sales and earnings in the period under review. The Supervisory Board supported and monitored the activities successfully performed by the Board of Directors during the period under review.

The Work of the Supervisory Board. In the fiscal year under review, the Supervisory Board of Wincor Nixdorf AG discharged its duties in accordance with statutory requirements and the company's articles of association. First and foremost, this task involved advising and monitoring the Board of Directors on a regular basis as it led and managed the business. The Supervisory Board was directly involved in all decision-making processes of fundamental importance to the company. Receiving comprehensive information on a regular and timely basis in the form of verbal and written reports, the Supervisory Board was instructed by the Board of Directors on all material issues relating to the corporate planning, strategic direction and development, business performance and state of the Group, including risks and risk management. All business matters of importance to the company were discussed by the Supervisory Board on the basis of reports furnished by the Board of Directors.

In fiscal 2006/2007, the Board of Directors informed the Supervisory Board about the progression of the company during five scheduled Supervisory Board meetings. In addition to these five scheduled meetings, the Supervisory Board convened on November 8 and December 14, 2006, for an extraordinary Supervisory Board meeting. The only items on the agenda of the extraordinary Supervisory Board meeting convened on November 8 were the proposal put forward by the Supervisory Board to the Annual General Meeting for the election of me, the undersigned, as a member of the Supervisory Board, thereby replacing Johannes P. Huth, Chairman of the Supervisory Board, and the appointment of Eckard Heidloff, member of the Board of Directors, as future President and CEO of the Board of Directors. Eckard Heidloff assumed office

effective from the close of the Annual General Meeting on January 29, 2007. The sole item on the agenda of the extraordinary Supervisory Board meeting convened on December 14, 2006, was the appointment of Dr. Jürgen Wunram to the Board of Directors, with responsibility for corporate finances (CFO). He has been in office since March 1, 2007. With the exception of the aforementioned, there were no other circumstances requiring further extraordinary Supervisory Board meetings or other specific supervisory measures. The five scheduled Supervisory Board meetings were held on November 30, 2006, as well as January 29, April 24, July 20 and September 18, 2007. All meetings were attended by representatives of the Board of Directors. At the aforementioned meetings, all necessary resolutions were passed on the basis of documentation prepared in advance. Between each meeting convened by the Supervisory Board, the Board of Directors informed us promptly and comprehensively about important events of particular significance in assessing the position and performance as well as the overall management of the company. Furthermore, the Board of Directors remained in continuous contact with the Supervisory Board and informed the Supervisory Board about the current business position as well as significant occurrences, developments and decisions.

The Supervisory Board examined the efficiency of its activities on a regular basis.

Key Areas of Deliberation by the Supervisory Board. The Supervisory Board regularly discussed the business, net sales and earnings performance of the Group and its segments, in addition to focusing on cash flows, the implementation of strategy and HR development.

Other key topics included the resolution for a capital increase through the issuance of new shares in a ratio of 1:1, which was passed by the Annual General Meeting on January 29, 2007, as well as the execution of stock buy-backs for the purpose of settling obligations arising from share options already issued, or to be issued, to members of the Board of Directors, other managers or staff members. The Supervisory Board also discussed measures relating to the optimization of Group financing as well as the issue of extending Wincor Nixdorf's compliance program.

At its meeting on September 18, 2007, the Supervisory Board gave its approval to the fiscal 2007/2008 budget proposed by the Board of Directors and to the medium-term strategic business development plan. At this meeting, the Supervisory Board also implemented the recommendation set out in the German Corporate Governance Code, as adopted on July 20, 2007, concerning the formation of a Nomination Committee composed of three shareholder representatives. The Nomination Committee proposes to the Supervisory Board suitable candidates for the Supervisory Board elections conducted by the Annual General Meeting of Shareholders.

In addition, at its meeting on September 18, 2007, the Supervisory Board acceded to Mr. Jürgen Wilde's request to accept his resignation as a member of the Board of Directors on the grounds of ill health, effective from the close of the Annual General Meeting on January 28, 2008. The Supervisory Board would like to take this opportunity to express its gratitude to Jürgen Wilde for his long-standing service and successful contribution.

Committee Work. The Supervisory Board is supported in its duties by four committees established by this body. These committees are responsible for preparing the ground for Supervisory Board resolutions and examining issues subsequently to be addressed in plenary sessions. Furthermore, the Supervisory Board has delegated decision-making authority to the committees within specific areas.

With the exception of the Audit Committee, which is chaired by Supervisory Board member Hero Brahms, the committees are presided over by the Chairman of the Supervisory Board.

The Audit Committee convened on three occasions during the fiscal year under review. The main focus of its work was on examining the annual accounts and Group financial statements of Wincor Nixdorf AG and the budget for fiscal 2007/2008. Other issues addressed were the company's risk report and risk management policy, as well as measures aimed at extending the corporate compliance program.

The Personnel Committee authorized the issue of stock options to members of the Board of Directors and Wincor Nixdorf employees.

In view of the fact that the terms of office of the six shareholder representatives will extend beyond the Annual General Meeting to be held in January 2008, there was no requirement for the Nomination Committee, which was created toward the end of the fiscal year, to be convened during the period under review.

Similarly, the Mediation Committee did not have to be convened during the fiscal year just ended. There are no further committees.

Corporate Governance and Declaration of Compliance. With regard to Corporate Governance, this annual report contains a separate section with a report by the Board of Directors, issued also on behalf of the Supervisory Board, pursuant to Section 3.10 of the German Corporate Governance Code. On November 27, 2007, the Board of Directors and Supervisory Board issued an updated Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (Aktengesetz – AktG) and made the declaration, along with details of non-compliance, permanently available to shareholders on the company website.

Approval of the Annual Accounts and Adoption of the Group Financial Statements. On January 29, 2007, the Annual General Meeting appointed KPMG Deutsche Treuhand-Gesellschaft AG, Bielefeld, as auditor of the accounts. The annual accounts for the fiscal year from October 1, 2006 to September 30, 2007, prepared by the Board of Directors in accordance with the provisions set out in the German Commercial Code (Handelsgesetzbuch – HGB), and the management report of Wincor Nixdorf AG have been audited by KPMG and given an unqualified audit opinion. The Group financial statements of Wincor Nixdorf AG for the same fiscal period have been prepared on the basis of International Financial Reporting Standards (IFRS).

The auditor has issued an unqualified audit opinion for the annual accounts of Wincor Nixdorf AG prepared in accordance with HGB, as well as for the Group financial statements of Wincor Nixdorf AG prepared in compliance with IFRS.

The audit reports compiled by KPMG Deutsche Treuhand-Gesellschaft AG Wirtschaftsprüfungsgesellschaft for the annual accounts and the Group financial statements were sent in a timely manner to all members of the Supervisory Board, together with the annual accounts prepared in accordance with HGB and the Group financial statements prepared in compliance with IFRS.

The Audit Committee commenced its detailed review of the annual accounts and Group financial statements at its meeting on November 27, 2007, with the auditors in attendance. This was immediately followed by a comprehensive discussion of both sets of accounts by the Supervisory Board. Attending the meetings convened by both bodies, the auditor reported on his audit activities and was at hand to provide detailed supplementary information.

Following a detailed examination of the annual accounts, Group financial statements, management report and Group management report, we concurred with the results of the audit conducted by the appointed auditor and approved the annual accounts and Group financial statements at our meeting on November 27, 2007, in accordance with the Audit Committee's recommendation issued the same day. Thus, the annual accounts have been formally adopted. We agreed with the proposal made by the Board of Directors regarding the appropriation of consolidated profit.

The Supervisory Board determined its proposed resolutions for the agenda of the company's Annual General Meeting to be held on January 28, 2008, and approved this Supervisory Board report.

Composition of the Supervisory Board. In accordance with Section 7 of the company's articles of association, the Supervisory Board consists of six shareholder representatives and six employee representatives. No conflicts of interest occurred within the Supervisory Board during the period under review. The terms of office of Hero Brahms, Walter Gunz and Prof. Walter Kröll continue until the Annual General Meeting responsible for approving its actions for the fiscal year 2007/2008. The term of office of the six employee representatives as well as that of Dr. Alexander Dibelius and Dr. Harald Wiedmann is due to expire at the end of the Annual General Meeting responsible for resolving a motion on the approval of their actions for the fiscal year 2009/2010. My own term of office is due to end at the Annual General Meeting responsible for resolving a motion on the approval of my actions for the fiscal year 2010/2011.

The Supervisory Board wishes to thank the Board of Directors, all members of staff and the employee representatives for their successful efforts during 2006/2007. They, yet again, made a valuable contribution to Wincor Nixdorf AG's fiscal year.

Paderborn, November 27, 2007



Karl-Heinz Stiller
Chairman of the Supervisory Board