



*Dear Ladies and gentlemen,*

Once again, Wincor Nixdorf can look back on a successful year, having set new records in fiscal 2007/2008: net sales rose by 8 percent to €2.319 billion and EBITA by 11 percent to €206 million.

As shareholders, you too will benefit from this solid performance in the form of a substantial dividend – which we again wish to increase. We intend to propose a dividend of €2.13 per share to the Annual General Meeting. This is equivalent to a rise of 13 percent on the regular dividend of €1.88 paid out for 2007/2008, in addition to which we distributed a special dividend of €0.90 a year ago. The latest proposal remains in line with our established policy to distribute around half of our profit for the period before profit charges arising from the carve-out in the form of a dividend.

We are proud of the success achieved in fiscal 2007/2008. Despite the deepening financial market crisis, whose scope no one could have predicted at the beginning of the fiscal year, we have continued to expand even against a background of an extremely weak U.S. dollar. This currency weakness had a significant impact on the development of our net sales; without it, our net sales would have grown by as much as 11 percent.

During fiscal 2007/2008, we also took steps to ensure the continued success of our business in the future, drawing on our existing growth strategy with its four areas of focus:

**Global expansion:** We again pushed ahead with the internationalization of our business, especially in high-growth regions. This expansion reduces our dependence on individual customers and national economies. Since 2007, Wincor Nixdorf has been the world's second-largest ATM supplier (annual shipments). This also contributes to the further expansion of our business with retail banks.

**Innovation:** Thanks to our focus on innovation, we were able to add to our portfolio process optimization solutions for our customers. These additions included improved automatic checkout systems for the retail industry, which offer considerable advantages such as cost efficiency and customer-friendly operation. In parallel, we further strengthened our portfolio of standardized applications software for retail banks and retailers.

**Premium end-to-end services:** During the year under review, we pushed ahead with the expansion of our Software Integration, Managed Services and Outsourcing business. These areas are of particular interest to us because, like product-related services, they generally involve multi-year con-

tracts and, therefore, generate stable income. In addition, we added specialist banking consultancy services to our portfolio through the acquisition of a majority share in a well-known banking consultancy firm.

**New business opportunities in related industries:**

Postal operators and service station chains also have branches with self-service systems similar to those of retail banks and the retail industry. We have achieved sustained success in our drive to exploit the opportunities for new business in these industries.

As for the future business prospects of Wincor Nixdorf, current trends in retail banking and the retail industry continue to suggest a positive medium-term outlook. Indeed, within the banking industry as a whole, retail banking has proven in recent months to be the least susceptible sector to outside events. We strongly believe that this development will help underpin the comeback of retail banking – a development that Wincor Nixdorf wishes to support with all the means at its disposal. In the retail industry, too, we anticipate continued investment in expansion and streamlining, and expect to benefit from both, given the highly competitive nature of the business.

For all these reasons, we are able to look ahead with confidence and expect to maintain our long-term average annual growth targets of 6 percent for net sales and 8 percent for EBITA, even if there is a temporary downturn in business as a result of the global crisis affecting the financial markets.

Although the overall economic situation is impacting the retail banking and the retail trade industries, we see continued opportunities in the current 2008/2009 fiscal year. Based on current knowledge, we are confident that we will be able to build on the success of the previous year and maintain approximately the same high level of performance.

Despite our generally positive outlook, however, we are still unable to say whether and when the financial market crisis can be contained or what concrete economic impact it will have on the industrialized and emerging countries. Depending on the intensity of the impact on the real economy, we cannot exclude the possibility of a downturn in the investment budgets of retail banks and retailers. Wincor Nixdorf is therefore preparing itself, especially in the areas of Production, Sales and Service, to respond quickly to possible challenges, primarily by implementing more flexible cost structures to protect margins.

The present economic situation represents an enormous challenge for our entire industry. However, our customers can be certain that Wincor Nixdorf will continue to make every effort to stay ahead through innovation and efficiency, and I would like to thank our customers for the confidence they have shown in our Company. I also wish to express my gratitude to all employees of Wincor Nixdorf throughout the world. It is your commitment that has earned us this confidence and helped to achieve such encouraging results.

Finally, let me thank you, our shareholders, for your loyalty and constructive support. We are fully aware that Wincor Nixdorf is your Company and are determined to put all our efforts into the task of steering it in a positive and successful direction.

Sincerely, C He



Eckard Heidloff



### 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.

### 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.

### 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 in October 2007 and since then Member of the Executive Board; responsible for the worldwide business with retail companies.



**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.



*Dear Ladies and Gentlemen,*

Wincor Nixdorf AG can look back on a successful fiscal 2007/2008, one in which it has been able to consolidate its position as a leading provider of IT solutions for retail banks and retailers and to expand its international operations. Thanks to a continued efficiency program, it has achieved the aim of increasing its international competitiveness and once again, as in previous years, boosted net sales and earnings. 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, the German Corporate Governance Code 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. A key element of this collaboration was that all decisions of fundamental importance to the Company were agreed directly with the Supervisory Board. 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 2007/2008, five scheduled Supervisory Board meetings were held at which the Board of Directors informed the Supervisory Board about the performance of the Company. In addition to these five scheduled meetings, the Supervisory Board convened on December 11, 2007, and January 27, 2008, for extraordinary Supervisory Board meetings. One of the items on the agenda of the extraordinary Supervisory Board meeting convened on December 11, 2007, was the proposed resolution to be put to the Annual General Meeting as agenda item 10 in the invitation to shareholders to attend the meeting. This concerned the granting of an authority to issue profit participation certificates with option or conversion rights and

option, convertible or participating bonds (or combinations of these instruments) under the exclusion of subscription rights and, at the same time, to establish a contingent capital sum and amend Section 4 of the Articles of Association. Another agenda item at the extraordinary Supervisory Board meeting dated December 11, 2007, and the sole agenda item of the extraordinary Supervisory Board meeting dated January 27, 2008, was the amended proposal of the Supervisory Board to the Annual General Meeting for the appropriation of profit as a result of the purchase of treasury shares, which do not qualify for a dividend. 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 27, 2007, and on January 28, April 22, July 22 and September 23, 2008. 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.**

At its individual meetings, the Supervisory Board regularly concerned itself with 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 conclusion of a profit and loss transfer agreement between WINCOR NIXDORF International GmbH and Wincor Nixdorf AG, approval for the issue of share options to employees (2008 tranche) and further expansion of the Wincor Nixdorf compliance program.

At its meeting on September 23, 2008, the Supervisory Board gave its approval to the fiscal 2008/2009 budget proposed by the Board of Directors and to the medium-term strategic business development plan.

**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 2008/2009. Other issues addressed were the Company's risk report and risk management policy, as well as measures aimed at further extending the corporate compliance program.

At its meeting on November 27, 2007, the Personnel Committee authorized the issue of stock options to members of the Board of Directors.

During the year under review, the Nomination Committee, which was created at the end of fiscal 2006/2007, convened on July 21 and September 23, 2008, to prepare a list of successors for the proposal of the Supervisory Board to the Annual General Meeting in relation to the forthcoming Supervisory Board elections, since the periods of office of three shareholder representatives on the Supervisory Board will end at the Annual General Meeting in January 2009.

There was again no need to convene the Mediation Committee 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 25, 2008, the Board of Directors and Supervisory Board issued an updated Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – 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 28, 2008, the Annual General Meeting appointed KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Bielefeld, now renamed as KPMG AG Wirtschaftsprüfungsgesellschaft, Bielefeld, as auditor of the accounts. The annual accounts for the fiscal year from October 1, 2007, to September 30, 2008, 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 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 25, 2008, 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 25, 2008, 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 19, 2009, 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. Dr. Walter Kröll continue until the end of the next ordinary Annual General Meeting on January 19, 2009, which is responsible for approving the actions of the members of the Supervisory Board for fiscal 2007/2008. The term of office of the six employee representatives as well as that of Dr. Alexander Dibelius and Prof. 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 fiscal 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 fiscal 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 fiscal 2007/2008. Once again, they have made a valuable contribution to Wincor Nixdorf AG's fiscal year.

Paderborn, November 25, 2008



Karl-Heinz Stiller  
Chairman of the Supervisory Board