WINCOR NIXDORF

PRESS CONFERENCE

Fiscal 2009/2010

based on preliminary figures

Düsseldorf, November 09, 2010

Key Figures 2009/2010.

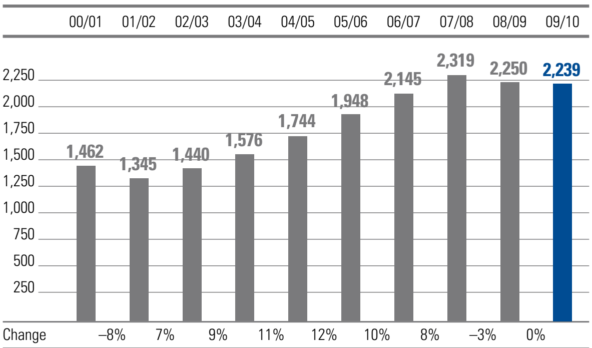
	2009/2010[1]	2008/2009[2]	Change
Financial Statement (€ million)[3]			
Net sales	**2,239**	**2,250**	0%
Gross profit	**562**	**582**	–3%
Gross profit as a percentage of net sales	25.1%	25.9%	–
Research & development expenses	**–101**	**–103**	–2%
R&D expenses as a percentage of net sales	4.5%	4.6%	–
Selling, general and administration expenses[4]	**–299**	**–300**	0%
SG&A expenses as a percentage of net sales	13.4%	13.3%	–
Operating profit (EBIT)	**162**	**179**	–9%
Goodwill amortization	**0**	**0**	–
EBITA[5]	**162**	**179**	–9%
EBITA as a percentage of net sales (EBITA margin)	7.2%	8.0%	–
Amortization/depreciation of property, plant and equipment and licenses and write-down of reworkable service parts	**61**	**56**	9%
EBITDA	**223**	**235**	–5%
EBITDA as a percentage of net sales (EBITDA margin)	10.0%	10.4%	–
Profit for the period	**106**	**114**	–7%
Profit for the period as a percentage of net sales	4.7%	5.1%	–
Profit for the period before carve-out	**106**	**117**	–9%
Earnings per share (€)[6]	3.21	3.54	–
Cash flow (€ million)			
Cash flow from operating activities	154	177	–13%
Cash flow from investment activities	–62	–67	–7%

	Sept. 30, 2010	Sept. 30, 2009	Change
Key Balance Sheet Figures (€ million)			
Working capital	**235**	**202**	**33**
as a percentage of net sales	10.5%	9.0%	–
Net debt	**134**	**150**	**–16**
Equity[7]	**358**	**330**	**28**
Human Resources			
Number of employees (September 30)	**9,309**	**9,381**	**–72**

[1] Oct. 1, 2009–Sept. 30, 2010.
[2] Oct. 1, 2008–Sept. 30, 2009.
[3] in the previous year before profit charges arising from the carve-out.
[4] including other operating income and expenses.
[5] net profit on operating activities before interest, taxes and amortization of goodwill and product know-how.
[6] calculated on basis of 33.085 million shares.
[7] including non-controlling interests.

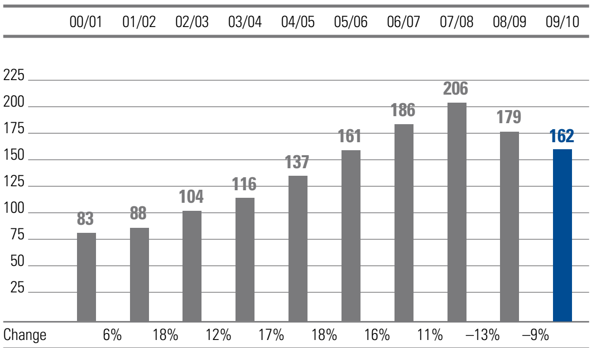
10-year Net Sales History.

€m



10-year EBITA History.

€m



Wincor Nixdorf Group in Fiscal 2009/2010.

THE WINCOR NIXDORF GROUP.

Organizational Structure. Wincor Nixdorf came into existence in 1999 when it was spun off from the Siemens Group. It was subsequently floated in 2004.

Today, although still based in Germany, Wincor Nixdorf is a global enterprise, with over 70% of net sales derived from its international business. We have established a network of international production sites, and in the area of development we work closely with a continually expanding group of external partners and research institutes.

In the main, we market our products and services through our own sales organization. One of the hallmarks of Wincor Nixdorf's business model is its proximity to customers. We have established a presence in around one hundred countries worldwide, 41 of which are home to a Wincor Nixdorf subsidiary. Accordingly, over half of the Group's 9,300 employees are based outside Germany.

More information about our production and development sites are included in the section entitled "Non-Financial Indicators".

Acquisitions and New Companies. In the period under review, we carved out our production units in Germany and China, establishing them as separate subsidiaries. Elsewhere, in setting up the Wincor Nixdorf Business Administration Center GmbH, we took the first step toward bringing together our commercial sales processes in Germany within a centralized unit.

Business Model. The main focus of our business activities lies on the banking and retail industries, with a particular emphasis on branch processes and operations.

Both industries face increasingly complex challenges. This has led to a rapidly expanding role for information technology, which is no longer regarded simply as a means of ensuring cost-efficiency; nowadays, it acts as a driving force for competitive growth, setting the pace for change within companies. Against this backdrop, information technology (IT) has established itself as a key element of our customers' strategic planning and operating business. IT processes are becoming increasingly complex. As a result, the role of change management is also expanding to cover the analysis of existing procedures, conceptual planning for entirely new processes, the integration of new information technology into existing infrastructures and the partial or even complete outsourcing of operational management.

These developments are also reflected in our portfolio. Originally a dedicated hardware manufacturer, Wincor Nixdorf has continually expanded its range of activities and in particular has increasingly adopted a greater focus on the provision of software and services. Our expertise lies in designing processes and systems that combine hardware, software and related services in the most efficient way possible, e.g., from a total cost of ownership perspective. We have consistently increased our share of the value chain in line with the process of change and innovation among our customers.

You will find more information about our services in the section entitled "Our Solutions Portfolio".

Market and Competition. Globally, Wincor Nixdorf is acknowledged as one of the top market players, with a specialized portfolio of software and services for retail banks and retailers. As a leading innovator in the worldwide hardware business, we are one of the biggest suppliers of cash systems and programmable EPOS systems. In this context, a core element of our business strategy is centered around innovative high-end systems as a basis for solutions designed to improve customer processes; it is because of these solutions that we are now acknowledged as an innovating force within our markets.

VALUE MANAGEMENT, TARGETS AND STRATEGY.

Value Management. Wincor Nixdorf's primary goal is and remains that of achieving sustained growth in enterprise value. The criteria we use to measure whether we have achieved this goal are the profitability, innovative solutions consisting of hardware, software and services, realized returns and secure jobs. All our actions and processes are geared towards assuring profitable growth of the Group, and in doing so, achieving continued growth in net sales and profits above the industry average. The performance-based remuneration system that we have implemented across much of the Group at all hierarchical levels is an important tool to help us achieve these goals.

Guiding Objective. Our strategic aim is to drive and support the process of change among retail banks and retailers throughout the world. By designing processes and procedures that are as innovative, efficient and customer-friendly as possible, we can help make our customers fit for competition and for the future. Above all, as "partners in change", we can reduce the complexity of the tasks facing our customers by providing the full range of solutions and know-how they need from a single source. This also has benefits for Wincor Nixdorf, as we are then able to pool our strengths, offer new and competitive services and expand our skills base in a systematic form. Furthermore, our focus on the branch operations of banks and retailers has given us a wide-ranging and deep-rooted understanding of our customers' processes.

Our goal and the challenge we set ourselves is to optimize these processes. The guiding principle of all our work is to maximize customer utility, to create added value for banks and retailers, and in doing so, retain their business over the long term.

Growth Strategy. Over the next few years, we aim to drive growth and boost our performance by means of four strategic levers. All four of these levers complement each other, and each can be used to exploit potential new growth.

1. Global Expansion. We are fully committed to further strengthening our position as the outright market leader in Germany and also improving our premier ranking throughout Europe in both of our business segments. As regards the global expansion of our business, we view Europe as our home market. It is from here that we receive fresh impetus for business development and the driving force required to generate growth at a global level.

Asia/Pacific/Africa and the Americas together account for around two-thirds of the global market. As a logical consequence of our internationalization strategy, it makes sense for us to prioritize expansion into these regions.

In the Asia/Pacific/Africa region, we aim to earn a place among the top providers in both of our business segments. Our goal in the Americas is to improve our market position by a significant margin.

With retail banks and retailers responding to global economic growth by increasing their involvement in emerging markets, especially in the BRIC states (Brazil, Russia, India and China), these regions play an important role in our globalization strategy.

2. Innovation. Our strength depends on our ability to innovate. It is for this very reason that we now employ approx. 10% of our staff in Research and Development (R&D). Every year, we invest over 4% of net sales in R&D projects.

We intend to maintain a high level of spending on R&D and to keep improving our effectiveness in this field.

This high level of spending on R&D is considered essential when it comes to underpinning our aspirations within the area of innovation leadership. We also aim to further shorten development times and bring new products to the market even more quickly, while of course maintaining the same extremely high level of quality and efficiency.

3. All-embracing, High-quality Services Portfolio. Smooth and efficient business processes are crucial to the success of our customers and help them gain an edge over their competitors. Thanks to our growing portfolio of services, we are able to support our customers in their efforts to design such processes.

To help our customers respond more efficiently and more rapidly to complex changes in their companies' IT requirements and fully exploit the benefits provided by their IT systems, we have combined our know-how into a series of comprehensive service modules.

Our goal is to open up further attractive prospects for growth by prioritizing the expansion of complex services such as Professional Services, Managed Services and Outsourcing (see also "Our Solutions Portfolio").

4. Expansion and Transfer of Know-how to other Applications. Wincor Nixdorf is not only expanding at a regional level; reflecting its focus on every aspect of branch-level business, it is also penetrating new and related markets that are characterized by similar structures and hence similar IT infrastructure requirements.

Our aim is to exploit potential synergies and potential growth in related areas of business without losing sight of our principal focus on Banking and Retail.

Ancillary Programs in Support of Corporate Goals. In order to achieve the Company's fundamental targets in the most effective way possible and establish them firmly in our everyday business, we have initiated and continue to develop a number of Group-wide programs. By defining success factors right at the start, we can facilitate the process of implementing and reviewing these measures and developing new ones.

The task of achieving our market objectives lies at the heart of our "Road to the Top" growth program, while income levels are boosted by our "ProImprove" program, which aims to ensure continuous improvements in profitability. Our own "Innovation and Quality" program helps to maintain a high level of these essential factors. We have set out a business philosophy entitled "People with Spirit" that we regard as indispensable to our past and future success. For this reason, we have put in place the requisite foundations that will help us maintain, carry forward and develop that culture and spirit.

"ProFuture" is a two-year Group-wide program that was launched in fiscal 2008/2009 to thoroughly review and examine our existing processes and structures. The aim is not only to lead the Company through the present difficulties in the wider economy but also to put it in a strong position for the future and encourage renewed growth. Rather than substituting our existing growth and efficiency programs, ProFuture is intended to act in a supporting role. The primary goal is to implement permanent structural and process-related changes as a means of boosting overall performance and efficiency. The implementation phase is due for completion by the end of the current fiscal year.

OUR SOLUTIONS PORTFOLIO.

To ensure they remain successful in their respective markets, retail banks and retailers around the globe have to submit their business processes to a system of continuous review. In every single case this involves designing ever more efficient processes and enhancing the company's appeal to its customers by adding new services for end users. Wincor Nixdorf's portfolio of IT-based services is geared towards meeting these requirements.

Core Competences Sought by Retail Banks and Retailers.

Customer-friendly and Efficient Branches. Branch operations continue to play a key role in the bank and retail industries. Despite the growing importance of other media, in retail banking the branch is still the main point of contact and sales channel, while in the global retail industry its position as the number one sales platform is undisputed, regardless of the retail segment or format. Wincor Nixdorf's particular strength lies in its ability to optimize different branch-level processes through the application of information technology. Consequently, the solutions described below primarily concern branch operations and reflect Wincor Nixdorf's wide-ranging expertise in this field. One of the predominant features of our portfolio is the modular concept. As banks and retailers restructure their branches, this approach can be used to provide comprehensive support – from analysis and implementation (including aspects of construction) through to actual operation (WIN@Branch for banks, WIN@Store for retailers).

Cost-efficient and Secure Cash Handling. For retail banks and retailers, cash handling generally involves extensive manual input. It therefore generates substantial costs and is characterized by a high security risk. It is for these reasons that we have long since focused on the automation of these processes and now have several ground-breaking solutions to our name.

At the Wincor World 2010 trade fair we presented a completely new portfolio of modular cash management solutions for retail banks and retailers that for the first time supports the cash handling processes common to both industries. The overriding objectives of our new portfolio of Cash Cycle Management Solutions are to maximize the level of automation of bank and retail cash processes, to close cash cycles and to shorten the cash logistics chain. One of the ways in which we can achieve this is by implementing systems based on a single banknote storage concept for both industries. This concept makes it possible to exchange storage media within the new CINEO system family.

Our portfolio represents a unique selling proposition for Wincor Nixdorf. It means that we are the only provider in the market able to cover the entire process chain from end to end with our own solutions. It also means that we can ensure maximum security, the greatest possible degree of transparency, enhanced processes and a reduction in costs of over 20%. At branch level, bank and retail employees no longer come into contact with cash.

With a view to managing cash processes all the way from the branch to the Central Bank, Wincor Nixdorf has developed a comprehensive portfolio of software, entitled Cash Cycle Management Solutions Base, that allows banks and retailers to take over the management and optimization of their cash processes themselves. The individual applications that make up the portfolio perform a range of tasks, e.g., branch-wide cash stock forecasting and optimization, order management, tracking ("Track and Trace") and management reporting. Banks and retailers can of course leave the task of cash management to Wincor Nixdorf, since all the cash cycle management software applications also form part of our eServices platform. This provides the basis for operational management of IT resources and allows Wincor Nixdorf to manage cash processes on behalf of its customers if required.

At the initial stage, Cash Cycle Management Solutions can be used to automate cash processes at bank and retail branches. In addition, drawing on the entire technology platform, they make it possible to reduce the costs involved in branch-wide cash processes. These can be linked to each other as part of an intelligent system by using full note storage units from retail outlets to resupply ATMs. As an additional benefit, the cash centers operated by secure transport firms can be integrated into the overall cash cycle management system.

Process Automation. Wincor Nixdorf regards its expertise in automating not only cash management but also many other business processes at branch and branch network level as one of its core competences, and we continue to expand the scope of these solutions. We start by shifting manual processes on to a self-service basis at banks and retailers. Then there is the automated provision and analysis of customer data for different sales channels or the centralized capture and use of data for business management and logistical purposes. Throughout the world, much of the customer support process for our systems is also automated – identifying problems, processing support orders, supplying and dispatching spares, deploying the nearest available technician. As always in the case of automation solutions, one of the most important factors here is innovative software.

Payment Solutions for Cashless Transactions. As well as optimizing cash processes, Wincor Nixdorf has developed a portfolio of solutions to support cashless payment. One of our services to retail banks facilitates the processing of card-based transactions – from initial recording of the transaction to identification, forwarding and authorization. Our retail systems include the integration of cashless payment solutions at checkouts and self-checkout systems. This allows companies to manage branch revenue from cashless payments at their own headquarters and forward all requisite data to their bank for further processing.

Consulting, Solutions Development and IT Integration from a Single Source (Professional Services). Wincor Nixdorf's global Professional Services units allow our customers to source all the innovative software they need from a single provider. In addition to our own software, we supply the leading industry standard applications for both industries.

Our Professional Services for banks are divided into three areas. Consulting Services focus on the optimization of business and specialist banking processes as well as the evaluation of industry-specific applications. Technology Services cover the development and integration of software architecture concepts and new applications, in addition to preparation of the necessary operating concepts. Application Management involves a range of services, including the long-term maintenance and regular updating of applications on behalf of customers (subject to explicit service level agreements, where required). Our key competence here lies in the area of branch applications and specifically in the optimization of customer interaction and solutions for payment processing.

With regard to the retail industry, we have established a global network of local Solution Competence Centers as a way of expanding our software business and facilitating the worldwide implementation, updating and integration of our software into our customers' IT landscapes. We also focus on process and IT consulting, partly with a view to creating tailored checkout or cash management solutions. This involves preparing different scenarios which can then be compared using simulations on the basis of factors such as cost-efficiency, trolley size and checkout waiting times. In planning the checkout zone, we look at the store's architecture, walking distances and typical customer behavior, as well as the retailer's individual requirements with regard to design and layout.

Based on a long-established partnership with SAP, we have vigorously expanded our SAP consulting activities in the area of Business and IT Consulting for banks and retailers. Our field of expertise here ranges from architecture consulting to the introduction and maintenance of SAP-based solutions. We also support our customers in areas such as project, test and application management, the optimization of complete business processes and Outsourcing projects.

Ensuring Maximum Availability of Installed IT Systems and Cost-efficient Operation. The lion's share of the product related and operating services that we offer as a service partner belongs to "Product Related Services", agreements covering the installation, maintenance and repair of customer systems. These cover the entire product life cycle from initial rollout and implementation through to maintenance, support desk solutions and supplies of consumables.

Our range of Managed Services includes the remote monitoring and operational control of self-service terminals (Managed SST) for our banking customers and of checkouts and self-service systems (Managed POS) for retailers. We see ourselves as long-term partner for the entire life cycle of a branch (Managed Total Branch) from its opening (New Store Opening) to operation of the branch-related IT infrastructure, refurbishment or closure. Managed Services are modular and can be combined to meet each customer's individual requirements. As well as generating cost savings, they ensure complete cost transparency and planning security in the operational management of IT resources. Our Managed Cash portfolio is designed to optimize the management of the cash stocks held by retail banks and retailers, including the control and monitoring of secure transport companies.

Our Outsourcing services are primarily geared towards banks and involve our taking over operation of the customer's infrastructures and (subject to contractual agreement) the relevant staff. In order to facilitate the business transformation of the customer's IT processes, we act as a one-stop provider for hardware, software, applications and services and support our customers in their sourcing decisions.

The technical basis for managing and providing all our services is Wincor Nixdorf's eServices Platform, which acts as the nerve center for the remote monitoring and control of customer infrastructures and processes insofar as they concern IT-based operational management. With regard to cash management, it also deals with cash stock forecasting and optimization as well as order management for secure transport companies. The eServices Portal allows us to supply our customers with system status and cash stock data, thus simplifying the task of risk management. Our new Connectivity Box acts as an intelligent interface between the eServices Platform and individual customer systems and facilitates the provision of the remote services we use to manage those systems.

We have achieved a greater level of efficiency by combining tasks and functions into organizational units (Global Service Delivery Centers). Our Customer Care Center handles over 10,000 calls a day around the clock and in 28 languages. In some countries, we have set up specialist teams to oversee the global system management of our customers' complex international projects. The optimized deployment of technical support staff and supplies of replacement parts are controlled by a global field service organization that includes regional logistics centers in order to reduce the cost of storing and procuring service parts.

In order to ensure the quality of our after-sales service in those countries where we do not have our own support teams, we work with a select number of certified partners.

Additional Solutions for Retail Banking.

Automation and Self-service. By automating processes that do not form part of a customer's core business and migrating to self-service, Wincor Nixdorf is able to relieve bank staff from routine and manual activities. Using our solutions, it is possible to automate the disbursement and deposit of banknotes, checks and coins. In systems equipped with our cash recycling technology (ProCash series, CINEO), cash deposited is first subjected to a counterfeit check before being made available once again for disbursement. The same applies to automated teller safes.

The incorporation of new hardware components and software applications allows us to expand the range of services we offer to include, for example, the issuing of tickets or the topping up of pre-paid cell phone cards using a self-service system. Our self-service portfolio also includes a comprehensive range of transaction terminals and statement printers (ProInfo, CINEO, High Print).

Protecting Retail Banks from Criminal Attack. Establishing a secure environment for cash while in circulation and for sensitive customer data is of critical importance to banks. Our comprehensive security portfolio offers solutions for individual systems, branches and overarching processes to counter a large number of potential attack scenarios. The protection we offer covers data, software and cash security, identity and access controls and the monitoring of branch security.

Consistent Customer Data Processing – Centralized Process Management. The optimization, standardization and automation of processes play a fundamental role in the banking industry's efforts to boost productivity and earnings. Our Retail Banking Suite (ProClassic/Enterprise Retail Banking Solution Suite) enables retail banks to transform their current, individual architecture into one that is more open and capable of extension. It creates a framework for the simplification and optimization of IT infrastructures and makes it possible to combine and control the full range of sales channels and key customer-related sales/marketing and service/support processes. Our portfolio of services in this area is regularly expanded and includes applications that control self-service processes, staff-operated branch activities, system monitoring and marketing campaign management. We have also developed new applications for mobile banking and for the processing of cashless transactions. Since the Retail Banking Suite is designed as a service-oriented architecture (SOA) based on the net-centric principle, applications can be implemented rapidly and used for other sales channels. As part of our service portfolio, we also offer our customers an option to outsource the operation of their systems to us.

Additional Solutions for the Retail Industry.

The Checkout Process. The nerve center of any retail branch is the checkout, which is not only where customers pay for their goods; it also generates crucial data, e.g., to control the logistics chain from the point of sale to reordering.

Our modular solutions portfolio has been designed to meet every possible requirement in the checkout process. It is based on our specialized Retail Suite (TP Application Suite) and our versatile hardware platform BEETLE, which we continuously optimize with regard to factors such as total cost of ownership and carbon footprint. Our dedicated solutions make it possible to migrate to self-service data capture and payment at the point of sale (separately or in combination) or indeed to completely automated systems. We have also developed solutions for mobile in-store shopping, whereby customers scan the products themselves and then pay at a cashier-operated or self-service checkout.

In conjunction with our Cash Cycle Management Solutions Portfolio, our checkout solutions deliver uniform cash processes for end users and branch employees. Wincor Nixdorf is the only solutions provider in the market to offer a complete portfolio for both cash management and the checkout. Naturally, this includes support in areas related to cashless payment and the processing of such transactions. Our solutions are based on international standards that greatly simplify the project-specific integration of payment solutions.

As well as driving the automation of checkout processes in the Food/Non-Food segment, we are introducing these innovative technologies in other retail environments such as large DIY and electrical goods outlets.

Reverse Vending. Given the increasing variety of drinks containers and the complex nature of offsetting (including between retailers), reliability and transparency are vital in the labor-intensive and time-consuming area of reverse vending. Wincor Nixdorf has developed numerous reverse vending solutions that can process the return of single-use and multiple-use containers in the form of glass, PET, cans and cartons. In response to consistently rising demand for materials such as PET, aluminum and steel, there is growing interest in the recycling of these materials, with a view, for example, to selling them on at a profit. This creates new business opportunities for automatic reverse vending machines in countries that do not currently have statutory deposit return schemes.

A Central Software Platform for Global Branch Management. For global retail groups, standardized and internationally available software platforms are a top priority as they provide the only way in which retailers can control all branch-related processes and allow direct interaction with the head office. Wincor Nixdorf's highly successful Retail Suite meets this demand. Since 2004 we have sold over 100,000 licenses, primarily to major international retail groups.

The Retail Suite adopts a multi-channel approach and controls all systems at the branch level, including staffed checkouts and self-service checkout solutions, mobile in-store applications and mobile checkouts in out-of-store sales environments. For decision-making purposes, analytical tools provide key information to the head office, e.g., on branch sales comparisons. The same information can then be accessed from anywhere via the Internet. The Retail Suite can also be used with an additional application that acts as a flexible tool for promoting customer loyalty through campaigns and customer loyalty programs. Another recent addition to the suite is an application that protects IT systems against unauthorized access. It provides the greatest level of security currently available for retail terminals, such as checkout systems and self-checkouts against potential hacking via the internet or directly targeting the system. Unlike conventional firewalls, which are based on a "black list" principle and whose security risks are widely known, the application developed by Wincor Nixdorf is based on a "white list" principle. It specifies exactly who or what is entitled to access which areas and in what way. Anything it does not recognize is identified immediately as a threat, and it then takes prompt action to protect the systems.

Our Solutions Portfolio for other Applications.

Our expertise also comes to the fore in other industries of the economy with a similar structure to that of banks and retailers. For example, we have supplied automation and mobile solutions for the branch networks of postal operators to manage their counter and self-service operations. Our portfolio includes hardware and software for all sales channels. Our multi-channel Postal Suite (ProClassic/Enterprise Postal Solution Suite) contains key management applications for greater transparency in the channel network and ensures that customer processes are performed efficiently.

Looking at service stations, our dedicated Service Station Suite (NAMOS Application Suite) includes an application that allows operators to control and monitor all their on-site systems, e.g., fuel pumps, car wash, payment terminals, etc. Many petroleum companies have also installed modern electronic checkout systems based on the BEETLE family as well as outdoor payment terminals and reverse vending systems.

In Germany, we developed a completely new service station concept that involved providing a customized solution for a retail bank and a service station operator. Following automation, cash handling is now secure and efficient. As well as paying for fuel and other purchases, service station customers can withdraw money using their EC card. Wincor Nixdorf not only supplied the necessary software and installed the systems; it also took over the provision of services such as the forwarding of transaction data.

BUSINESS ENVIRONMENT.

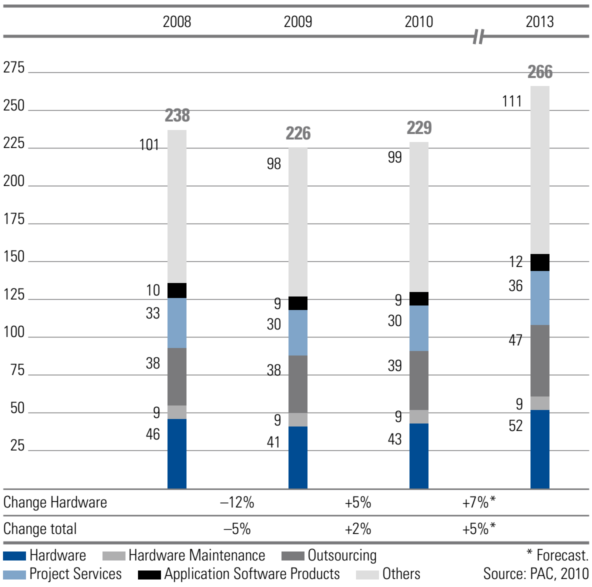
Global Economy Shows Gradual Recovery. During the biggest financial and economic crisis since 1929, the first signs of a basis for new growth came in the last quarter of 2009, while in early 2010 a number of indicators pointed towards a gradual recovery in the global economy. There was little consensus among experts as to how sustained these positive signals were likely to prove, although since mid-2010 there has been growing evidence of a recovery, albeit from a low base.

Economic research institutes and other experts predict that global economic output in 2010 will show a return to growth. Nevertheless, their view is that many industrial nations will continue to face serious challenges such as high levels of national debt. According to the IMF, the global economy will grow by 4.8% in 2010.

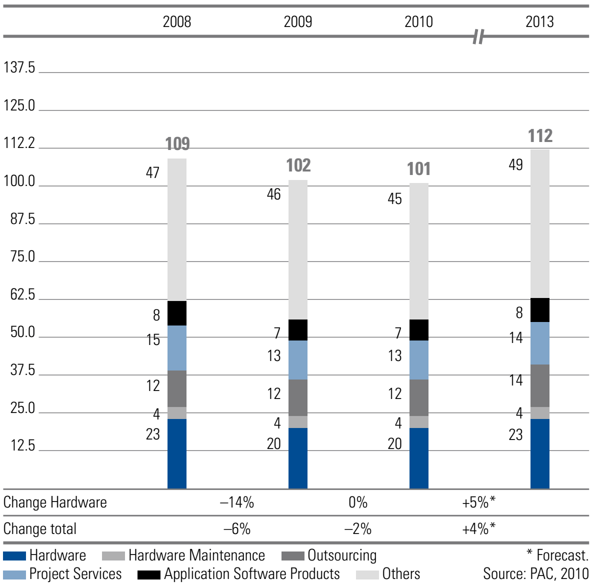
In the light of greater export activity and a rise in domestic demand for capital and consumer goods, the IMF has revised its forecast for Germany upwards by a substantial margin and now anticipates an increase of 3.3% in GDP.

Looking at the eurozone, the IMF has forecast weaker economic growth of 1.7% for 2010. In its view, Europe's debt crisis has greatly exacerbated the risks to the region's economy, and meeting growth targets will depend on whether the eurozone can achieve a degree of stabilization and the banks can quickly regain public confidence.

IT spendings Banking segment. €b



IT spendings Retail segment. €b



Again according to the IMF, Asia is set to deliver strong economic growth of 7.9% in 2010. The main drivers of this growth will be China and India, supported by improved demand from domestic consumers. It expects a rise in China's gross domestic product (GDP) of 10.5%, with India close behind on 9.7%.

With regard to the U.S. economy, the IMF currently anticipates growth of 2.6% in 2010. Despite an earlier and more optimistic assessment, its experts believe that the latest indicators point to a weak recovery from the recession.

Unstable Currency Developments. At the beginning of the fiscal year the euro stood at over USD 1.45. Although it subsequently declined to below USD 1.20 at the beginning of June 2010, it then embarked on a continuous upward trend. Despite a modest fall in August, by the end of the fiscal year it had reached a new annual high of over USD 1.36.

Developments in the IT market for Retail Banking and the Retail Industry. In so far as they affect Wincor Nixdorf, the previously established trends in both retail banking and the retail industry were maintained in the year under review. Banks and retailers continued to invest in information technology in order to create more efficient and more productive processes, thereby reducing their costs, gain a competitive edge by offering new services or expand their portfolios in response to consumer trends.

At the same time, by expanding their branch and sales networks, both industries have been able to participate in economic growth, especially in emerging markets, and to push forward with the global expansion of their business activities.

Despite the economic crisis and noticeable but temporary falls, total capital expenditure on IT remained at a high level in both industries.
According to the market research company Pierre Audoin Consultants (PAC), in 2008 banks invested €238 billion on information technology, while the figure for retailers was €109 billion (divided in each case by business category: Hardware, Hardware Maintenance, Outsourcing, Project Services, Application Software Products).

As a result of the crisis, banking industry investment contracted by 5.1% in 2009 to €226 billion, while capital expenditure by retailers fell 6.5% to €102 billion. In its forecast for the whole of 2010, PAC expects banking industry investment in IT to show a modest recovery of 1.6% (to €229 billion) compared to a further decline of 1.6% among retail companies (down to €101 billion).

The downturn in 2009 was mainly attributable to hardware business. Although IT-related investment in the other business categories remained or is expected to remain almost constant between 2008 and 2010, companies have generally scaled back capital expenditure on hardware, in some cases by a considerable margin. If we compare 2008 with 2009, the decline in bank industry investment in hardware was 12% (from €46 to €41 billion), whereas 2010 is expected to deliver renewed growth of 5% to €43 billion. In the retail industry, spending on hardware was down 14% between 2008 and 2009 (from €23 to €20 billion) and is expected to remain at this level (€20 billion) in 2010.

GROUP BUSINESS PERFORMANCE.

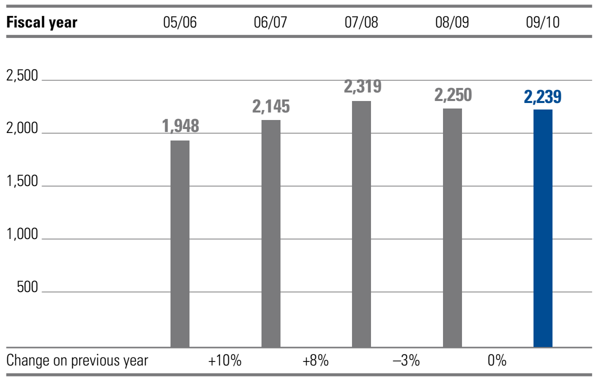
At the beginning of our fiscal year in October 2009, the global economy was still reeling from the impact of the financial and economic crisis. Wincor Nixdorf anticipated a slow and unsteady recovery in many countries and a barely noticeable improvement in its markets. In response, the Company strengthened its balance sheet and reduced its net debt. At the same time, we launched our ProFuture program. The objective here was to use the crisis as an opportunity to focus even more rigorously on efforts to make our processes and structures faster and more efficient and thereby achieve a sustained improvement in our overall performance.

Our aim was to maintain the relatively stable course we had taken in the preceding year and to minimize the likely negative impacts of the crisis by drawing on the strengths of our business model. Given the prevailing business environment, we anticipated a further decline in net sales and an even more pronounced fall in our operating result, although we took the view that any downturn would not exceed that of the previous year and would be limited at most to 3% for net sales and 13% for the operating result.

As the current fiscal year progressed, our expectations were confirmed that there would be no sustained upturn in our customers' readiness to invest or a significant recovery in the business. A comparison of individual quarters for 2009/2010 with those of the preceding fiscal year reveals considerable fluctuations, with year-on-year declines of 6% in the first and second quarters followed by increases of 5% and 7% in the third and fourth quarters respectively. The third- and fourth-quarter increases were solely due to the fact that Wincor Nixdorf did not feel the worst effects of the crisis until the second half of the previous year. While it is true that at the end of the reporting year there was renewed economic growth in some regions such as Europe, where economic output had fallen quite heavily, this did not as yet stimulate demand in our markets.

Net Sales. Group sales for fiscal 2009/2010 declined by € 11 million to €2,239 million (2008/2009: €2,250 million). There were no changes in the percentage levels. Adjusted for currency fluctuations between the euro and the U.S. dollar, net sales were down 1%.

Net Sales History. €m



Regional Performance. Overall, our results were marked by considerable variations in the investment behavior of our customers. Orders were predominantly dependent on their financial strength and business strategies and only to a lesser extent on the economic situation. In a departure from the pattern of previous years, our performance in many regions did not reflect local economic conditions; instead it tended to decouple from those conditions and produced some major fluctuations over the year.

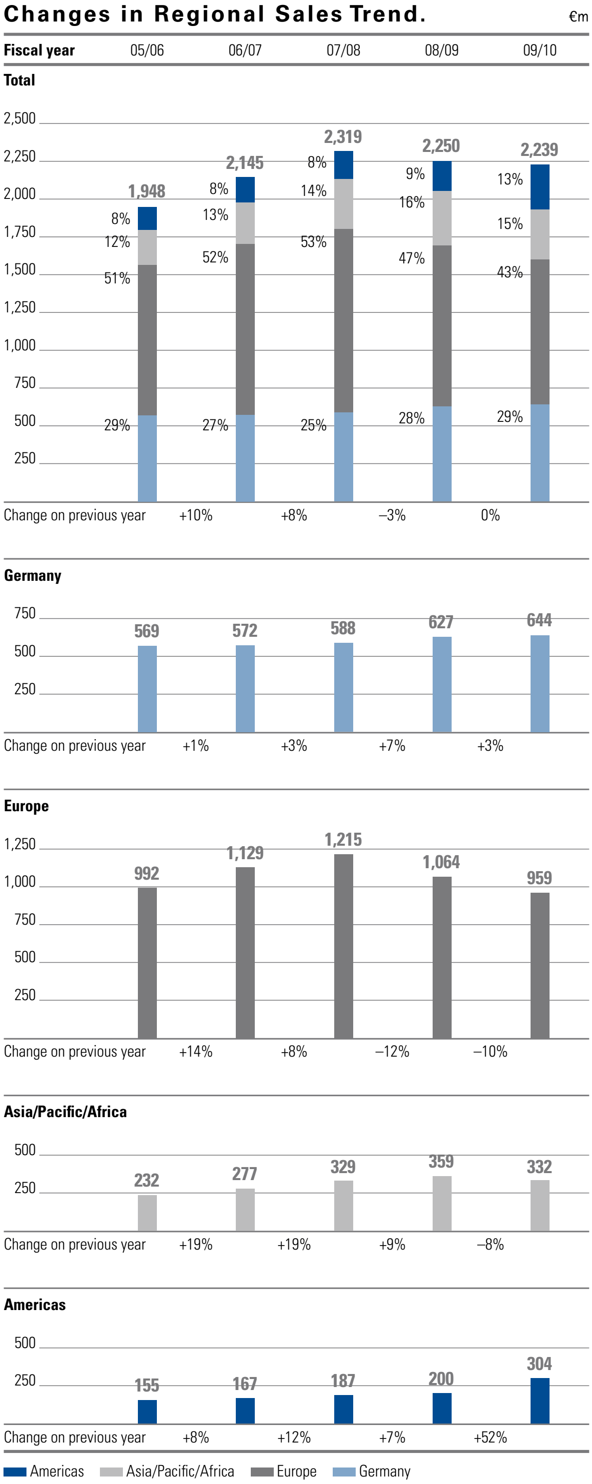
In **Germany,** total net sales rose 3% to €644 million (2008/2009: €627 million). As a result, the country's contribution to total Group sales increased to 29% (2008/2009: 28%).

In E**urope** (excluding Germany), net sales were down 10% to €959 million (2008/2009: €1,064 million), partly as a result of a downturn in some of our core western European countries. Many eastern European states reported substantial declines in their net sales figures, although the economic crisis was felt less severely by some countries in this region.

Despite a fall in the year under review, at 43% (2008/2009: 47%) Europe (excluding Germany) still accounted for the largest share of total Group sales.

Net sales in the **Asia/Pacific/Africa** region were down 8% to €332 million (2008/2009: €359 million). As a result, the region's share of total Group sales for the reporting year was 15% (2008/2009: 16%).

Changes in Regional Sales Trend.



In the **Americas,** net sales increased by 52% both in euro terms and when expressed in U.S. dollars, taking the figure to €304 million (2008/2009: €200 million). As a result of this significant increase, the share of consolidated net sales generated by the region rose to 13% (2008/2009: 9%).

Performance by Business Stream. One of the consequences of the global financial and economic crisis was that many retail banks and retailers postponed their plans to upgrade self-service and EPOS systems or scaled them back to a minimum. Nevertheless, the underlying trends in these industries were still clearly in place (see "Developments in the IT Market for Retail Banking and the Retail Industry").

Expressed in terms of **business streams,** in line with the previous year's trend, net sales from the **Hardware** business declined 7% to €1,140 million (2008/2009: €1,224 million). The share of consolidated net sales attributable to Hardware business receded to 51% (2008/2009: 54%). Although the market-induced pressure on prices experienced last year was less acute in the period under review and Wincor Nixdorf continued to counteract price erosion, our margins were still affected by mix-specific factors and lower economies of scale. However, our margins were still affected by mix-specific factors and lower economies of scale.

Companies continued to invest in cost-saving improvements to their processes and in automation solutions, and this trend was even heightened by the crisis. The Hardware business benefited especially from demand for high-end systems and solutions such as intelligent deposit for banks and automated checkouts for retailers.

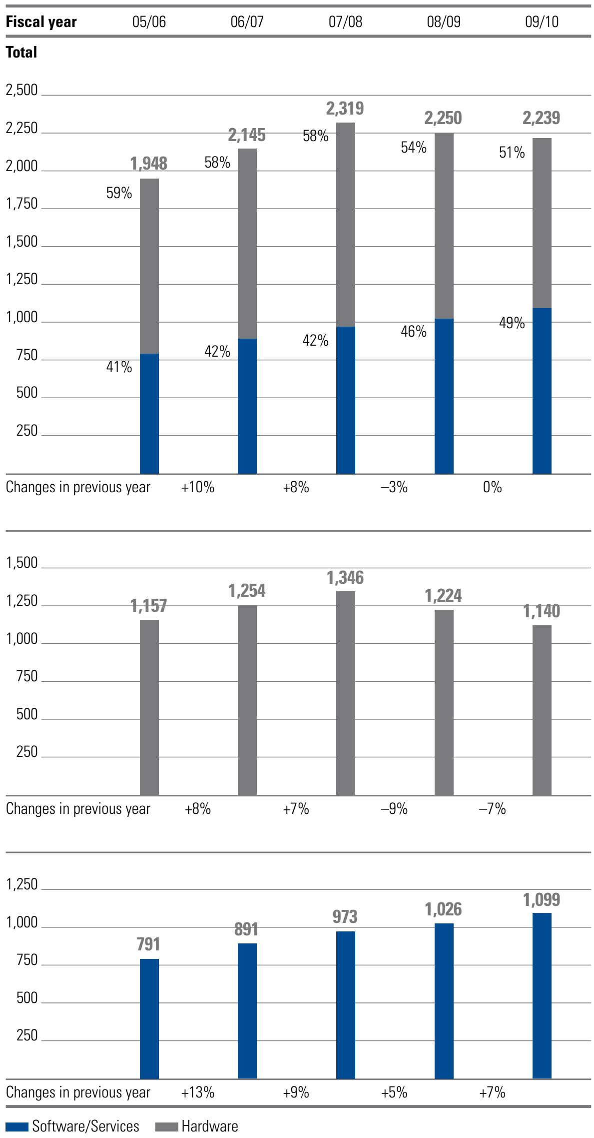
However, it was primarily the **Software/Services** business that profited from demand for optimization solutions. Net sales for this business stream ended the year up by a very encouraging 7% at €1,099 million (2008/2009: €1,026 million). This took the share of total Group sales attributable to Software/Services to 49% (2008/2009: 46%).

Within this area, there was moderate growth in the **Software** business, which also includes services such as software adaptation and integration (Professional Services). This was mainly attributable to sales of our Retail Banking and Retail Suites with their different applications as well as their equivalents for the postal and service station business.

The main area of growth, however, was in **Services,** predominantly as a result of increased revenue from the Product Related Services that make up the largest part of the Services business. We were able to increase the number of systems supported and we benefited from the relative stability of this business even during times of crisis, since most of the contracts we sign with our customers run over several years. Improvements to our competitiveness also paid off. We attracted a number of important companies to our customer base and successfully negotiated extensions to large-scale orders.

Managed Services also delivered a very satisfactory performance. During the year under review, we offered these services for the first time in the United States and India.

Net Sales Split: Hardware and Software/Services.



In Outsourcing, we maintained our proven business partnerships and added new services to our portfolio.

Costs. Once again this year, Wincor Nixdorf's aim was to improve its cost structure with the help of the Group-wide "ProImprove" and "ProFuture" programs.

Despite these efforts, however, in fiscal 2009/2010 the gross margin from net sales before profit charges arising from the carve-out fell 0.8 percentage points to 25.1% (2008/2009: 25.9%).

Research and development costs over the reporting period were down 2% or €2 million to €101 million (2008/2009: €103 million). At 4.5%, the R&D ratio was slightly below the figure for the previous year (2008/2009: 4.6%).

Thanks to strict cost management, the ratio of selling, general and administration expenses to net sales remained almost unchanged at 13.4% (2008/2009: 13.3%). Selling, general and administration expenses, including other operating income and expenses, stood at €299 million (2008/2009: €300 million).

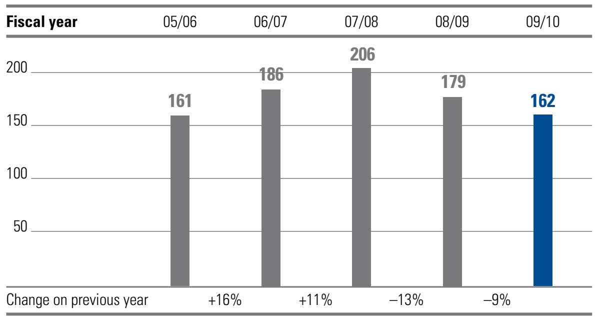
Profit. Earnings before interest, taxes and amortization of product know-how (EBITA) were down 9% to €162 million (2008/2009: €179 million). The EBITA margin fell 0.8 percentage points to 7.2% (2008/2009: 8.0%).

Profit before income taxes declined by €7 million or 4% to €156 million (2008/2009: €163 million). At 32%, the Group's effective tax rate was above the previous year's level (2008/2009: 30%). This was due, in particular, to differing performances in the various regions.

Profit for the period fell to €106 million, €8 million or 7% below the comparable figure of €114 million for the previous year. This meant a lower return on net sales for the period of 4.7% (2008/2009: 5.1%).

Profit for the period before profit charges arising from the carve-out was down 9% to €106 million (2008/2009: €117 million) due to the abolition of profit charges arising from the carve-out in the reporting year.

EBITA History.



Dividend. Wincor Nixdorf remains committed to pursuing its recent dividend policy: as regards the dividend for fiscal 2009/2010, profit for the period amounting to €106.5m will again form the basis for dividend calculations. Of this amount, approx. 50% is to be distributed to shareholders in the form of a dividend.

For the reporting period, this corresponds to a dividend of €1.70 per qualifying share proposed to the Supervisory Board, which is 8% less than the dividend of €1.85 paid out in the preceding year. Based on the closing price at September 30, 2010, the dividend yield is 3.6%.

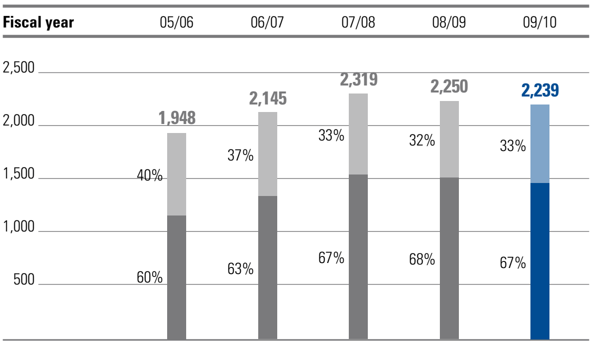
As at September 30, 2010, the unappropriated surplus of Wincor Nixdorf AG amounted to €238.4m. At the date of release of this report by the Board of Directors this corresponded to a total dividend payment of €53.1m. The undistributed portion of unappropriated surplus, amounting to €185.3 million, will be carried forward to new account. The dividend will be paid out on January, 25, 2011, subject to the approval of the AGM.

In fiscal 2009/2010, a total of €58.6m (€1.85 per share) was distributed to the shareholders of Wincor Nixdorf AG.

SEGMENT PERFORMANCE.

There were differences in the performance of our business segments in fiscal 2009/2010. While net sales in Banking were slightly down on the previous year, the Retail segment reported a slight increase in net sales. Correspondingly, the Banking segment accounted for 67% (2008/2009: 68%) of net sales for the Group, while the Retail segment generated 33% (2008/2009: 32%).

Net Sales Split: Banking and Retail. €m



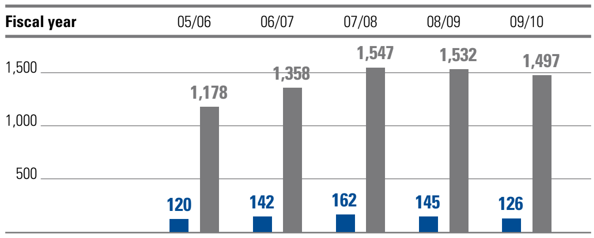
Change on previous year	+10%	+8%	–3%	–0%

Banking Retail

Banking Segment.

Net sales in the Banking segment were 2% down on the previous year (2008/2009: €1,532 million) at €1,497 million. EBITA fell 13% and amounted to €126 million (2008/2009: €145 million). Thus, EBITA margin declined to 8.4% (2008/2009: 9.5%).

Net Sales and EBITA History: Banking. €m



	05/06	06/07	07/08	08/09	09/10
Net Sales Change on previous year	+15%	+14%	–1%	–2%	
EBITA Change on previous year	+18%	+14%	–10%	–13%	
EBITA margin	10.2%	10.5%	10.5%	9.5%	8.4%

EBITA Net Sales

One of the core elements of Wincor Nixdorf's Banking business is our modular cash management portfolio. The new Cash Cycle Management Solutions we presented in the year under review contains a host of solution components. The Banking segment also covers numerous other important aspects of retail banking (see "Our Solutions Portfolio").

Over the last fiscal year, we concentrated our activities in the following areas:

Cash Cycle Management Solutions. After several years of work on a fundamentally new concept to optimize cash handling (see "Our Solutions Portfolio"), there was considerable interest in the international launch of our Cash Cycle Management Solutions Portfolio, a combination of hardware, software and services. The launch was accompanied by the first installations of our CINEO family. We also developed a complementary range of services covering the entire cash management chain, including the control of secure transport companies. Finally, in response to individual customer requirements, we devised different scenarios and consulting models that enable our customers to reduce their costs by more than 20%.

Bank Branch Business. To complement our existing activities, designed to help the banks develop their branches' sales- and service-related operations, we introduced a number of new consulting services (see "Our Solutions Portfolio"). Acting as a general contractor, Wincor Nixdorf is now in a position to oversee the complete redevelopment of branches from the planning stage to operational readiness and handover. As part of these services, we offer to integrate new technologies that enhance the bank's digital communications with its customers, particularly with a view to exploiting the potential of cross-selling.

Self-service Sales Channel. Alongside the introduction of its suite of Cash Cycle Management Solutions, Wincor Nixdorf focused on the migration of hardware components into its recently presented CINEO system family. As well as components whose function is to automate the handling of cash, such as ATMs and automated teller safes, this process also involves transaction terminals. This migration should enable us to exploit the market potential of our new products as quickly and comprehensively as possible as soon as we see a sustained return to investment spending by the banks.

Centralized Applications via the Retail Banking Suite. In response to the increasing use of mobile phones to conduct financial transactions, Wincor Nixdorf expanded its Retail Banking Suite to enable its customers to use mobile banking for sales and marketing processes and to control cash instructions via ATMs. Another new feature of the Retail Banking Suite is an application that processes card-based payments. To prevent the fraudulent use of cards, we integrated a software program developed by one of our partners that continuously analyzes transactions. If it suspects fraud, it triggers an alarm and initiates the appropriate counter-measures.

Security. We also expanded our range of security solutions to include a new consulting and services portfolio. On the basis of detailed analyses of all security-related processes, Wincor Nixdorf is now able to offer its customers a tailored response to their individual security needs. With regard to hardware developments, we introduced a new anti-skimming module that can be combined with an optical recognition process and that is already proving successful in the market. In Germany, we also launched a further pilot project to test the use of biometric identification methods in self-service operations.

Professional Services. We make regular additions to our portfolio of Professional Services, which range from strategic IT consulting to the maintenance of software applications during actual operation. The same applies to our specialist Banking services. By way of example, our subsidiary Bankberatung Organisations- und IT-Beratung für Banken AG (referred to below as Bankberatung AG) made a significant contribution to a highly successful project involving the migration of a group banking system operated by a major financial institution.

Postal Business. We successfully adapted our highly competitive portfolio of retail banking services to the specialized requirements of the postal sector. In a series of large-scale projects, we integrated banking hardware into postal banking environments and equipped the Postal Suite with a number of additional, sector-specific applications. Thanks to its portfolio of specially tailored professional services, Wincor Nixdorf has also been able to establish itself as a provider of integrated solutions for postal banks.

Regional Performance. The Banking business in **Germany** maintained the encouraging level seen in the preceding year. We profited from the ongoing trends towards process automation, migration to self-service and the Outsourcing of individual processes in the form of Managed Services. Other positive developments in this region included successful hardware rollouts for major banks and our business with public-sector institutions and cooperative banks.

By contrast, the Banking business in **Europe** showed another significant decline. In western Europe, many retail banks decided to postpone their investment plans, although the trend towards standardization continued. We expanded our business in the area of Product Related and Managed Services. In Eastern Europe, given the continued lack of financing from western European lenders, retail banks left their IT investment plans on ice, although here, too, we did manage to expand our Services business.

In view of the market situation, net sales in the **Asia/Pacific/Africa** region remained below the level of the previous year. In Africa particularly, we were unable to maintain the positive results of the preceding fiscal year. By contrast, our results in Asia remained stable despite increased competition.

Business in the **Americas** region was very satisfactory in both North and Latin America. In the United States we won a number of additional large-scale orders for systems combining cash deposit and disbursement with automated check deposit and processing. We also signed agreements to provide the associated rollout, implementation and maintenance services. In Canada, too, there was an improvement in demand, while in Latin America the main focus of our business activities was Brazil, where we expanded our local production facilities.

There follows a review of developments by **business stream.** Compared to the previous year, net sales in the **Hardware** business showed a substantial decline.

Despite a downturn in the market as a result of the crisis, we were able to maintain the supply of our **cash systems** at roughly the same level as the previous year. Due to the erosion of prices, this resulted in a decline in overall revenue. We even broke our previous record for the supply of high-end systems such as intelligent deposit.

In the year under review, we introduced the new CINEO system generation, equipped with a disbursement function, automated teller safes and cash recycling systems (see "Our Solutions Portfolio"). The first of these systems were installed at our customers' premises and subsequently proved their worth in actual operation. There was considerable interest worldwide in the introduction of this new generation of systems.

We developed a cash disbursement machine for the Asian market, for example India, that meets specific local requirements. We received our first orders soon after presenting the new hardware and supplied the first machines only a short time later.

The business in **Non-Cash Products,** e.g., transaction terminals and statement/receipt printers, was mainly supported by demand from Europe. There were major rollouts of our transaction terminals at two large German financial services providers.

The reporting year brought a pleasing improvement in our **Software/Services** business in the Banking segment.

With regard to **Software,** we increased our sales of hardware-independent applications. The Professional Services linked to our software portfolio performed well and were expanded in line with our planning. We successfully realigned the consulting and integration business of Wincor Nixdorf Banking Consulting GmbH in Germany and achieved positive results from our majority holding in Bankberatung AG, which provides specialized consulting services to the banking industry.

We recorded substantial growth in our banking-related **Services** business. In part this is attributable to a strong performance from Product Related Services, as we signed a large number of new service agreements covering the new hardware supplied by the Group. Due to the absence of capital expenditure in upgraded or replacement systems, we were able to generate additional revenue from service agreements. As well as new service agreements, which usually run over several years, customers extended their maintenance agreements in line with the extended operational life of their systems.

Managed Services also delivered strong growth. During the year under review, we increased the range of services we offer in this field and made them even more user-friendly. For an increasing number of banks, Wincor Nixdorf's portfolio of Managed Services is proving to be very attractive – not least in view of the greater pressure on costs.

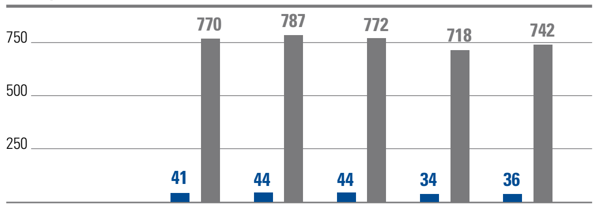
Retail Segment.

Following a period of consolidation and partial realignment, the Retail segment generated net sales growth of 3% in the reporting year to reach €742 million (2008/2009: €718 million). Segment EBITA rose 6% and amounted to €36 million (2008/2009: €34 million). Thus, the EBITA margin improved by 0.2 percentage points to 4.9% (2008/2009: 4.7%).

The segment's activities include electronic point-of-sale (EPOS) systems and automation/self-service solutions for the checkout, retail cash management and reverse vending. Wincor Nixdorf's Retail Suite not only supports branch processes but also central control processes that cover retail branch networks. To complete our portfolio, we offer Professional Services and a range of Product Related and Managed Services.

Net Sales and EBITA History: Retail. €m

Fiscal year	05/06	06/07	07/08	08/09	09/10



Net Sales Change on previous year		+2%	–2%	–7%	+3%
EBITA Change on previous year		+7%	0%	–23%	6%
EBITA margin	5.3%	5.6%	5.7%	4.7%	4.9%

EBITA Net Sales

There follows a brief description of our main activities in the Retail segment during the year under review:

Electronic Point of Sale (EPOS). The main focus of our development work on EPOS systems was on enhancing their performance, e.g., to provide information to customers via an additional screen (dual displays) while they are waiting at the checkout. We are working on touch-based user interfaces for cashiers to create faster and more intuitive processes. Work to improve our BEETLE systems (see "Our Solutions Portfolio") concentrated on the optimization of total cost of ownership and resource use over the entire product life cycle.

Automated Checkout. We also made further improvements to our automated checkout systems during the year under review. For example, one of our targets was to produce a more space-saving design for our portfolio of checkout systems and system components so that our customers can maximize their available retail space. Thanks to a new security scales concept, we have been able to reduce the space needed at scan and weigh points in self-checkout systems by over 30% (basket over basket). Alongside this development, we launched a new payment terminal as one element of a solution that can process the entire transaction in just six seconds. This solution is particularly suited to smaller branch formats such as convenience stores.

Retail Cash Management. The integration of our newly developed CINEO systems into existing checkout scenarios (for both cashier-operated and self-service payment solutions) makes it possible for the first time to achieve a closed cash cycle within a branch. This major step was due to a piece of software that we enhanced during the year under review and that now covers the entire cash management process at retail branch level. It facilitates control of all payment processes, both in and out, and monitors the levels of cash held by all devices. Cash office staff can also make use of other system-wide applications to manage cash stocks, transactions and user data at any time. Thanks to a flexible interface, the software can be integrated perfectly into existing POS applications. The steps involved in the introduction of this new solution concept involved similar measures to those described in "Banking segment".

Software. We added a number of new applications to our software portfolio, e.g., to protect IT systems against unauthorized access. Other new solutions were developed for use on mobile devices used by branch staff and retail company management.

Professional Services. In this area we offer a comprehensive package of consulting services for the retail industry and continuously update our consulting methodology (see "Our Solutions Portfolio"). In the field of SAP Consulting, we developed a procedure that is specially designed for use by smaller and medium-sized companies.

Reverse Vending. New developments in our portfolio of reverse vending systems included a device specifically for use at service stations and in convenience stores. We also expanded our range of services. Wincor Nixdorf now provides consulting services that offer individually configured solutions in response to retailers' specific on-site requirements. Other developments focused on maximizing the availability of automated reverse vending systems. Using our software, retailers can set their own parameters (e.g., frequency of cleaning) for their reverse vending machines, monitor them quickly and easily thanks to a simple and clear interface, and arrange for appropriate action whenever necessary.

Service Stations. We made significant progress in our efforts to expand the service station business. This involved new additions to our portfolio for service station branch management, with the result that we can now offer petroleum companies a complete end-to-end solution. For example, we presented our new, web-based Service Station Solution Suite, which allows operators or franchisees to consult information about sales and transactions at any time on- or off-site. Another development was a base self-service terminal for use on the forecourt, allowing service station customers to submit their own payments around the clock using cash or a credit card. This facility is primarily geared towards new markets. In total, we have now established a presence in 26 countries with our service station business.

Regional Performance. We are pleased by the growth we achieved in the Retail business in **Germany.** We secured several large orders and completed our first joint project with a service station and retail bank to combine the checkout function with cash withdrawal (see "Our Solutions Portfolio"). Other important developments included a number of projects in the area of Professional Services.

Overall, net sales in **Europe** remained stable. Business relating to automated checkout solutions showed a substantial increase, and both Software and Professional Services performed well in the European market.

We achieved further growth in the **Asia/Pacific/Africa** region, mainly due to sales of our EPOS systems and a number of wide-ranging service station projects. Software and Professional Services also delivered good results, with our Software division reporting particular success in China and the Middle East. The Services business showed a further improvement.

Looking at the performance of individual **business streams** during the reporting year, the percentage increase in the volume of programmable electronic checkout (EPOS) systems supplied by the **Hardware** division was above that for the market as a whole. Wincor Nixdorf also benefited from the ongoing trend in Europe towards automated checkout solutions and considerably strengthened its presence in this area. According to a survey by the British market researchers Retail Banking Research (RBR), Wincor Nixdorf installed more self-checkout systems for retailers than any other company in Europe in the calendar year 2009. If we take the number of shipments as a measure, our market share rose to 46%. This positive trend has continued into 2010. Wincor Nixdorf also conducted its first ever global rollout for a major international furniture group with a dedicated variant of the self-checkout.

With regard to reverse vending systems, we were able to maintain our strong market position in Germany and Europe despite the fact that the overall volume of sales was below our expectations. However, we laid the foundations for future growth through pilot installations in other countries and with new customers.

Results from our **Software/Services** business were up on the previous year. A particularly strong increase in demand for **Software** helped to strengthen our position as one of the world's leading software providers for the retail industry. There was an excellent response to our Enterprise application (part of the Retail Suite for retail groups), which links processes at head office with those at branch level.

Our Professional Services division had a successful year in several areas and achieved particularly good results with its consulting concept for comprehensive branch realignment (see "Our Solutions Portfolio").

Another of these services, one that we now provide in a growing number of countries, involves the introduction and integration of SAP software into retailers' system landscapes across the entire organization. Wincor Nixdorf's consultants examine best-practice processes and standardized modules that have proven successful in many retail companies in order to establish the optimum solution for each customer.

Wincor Nixdorf's **Services** business also reported significant growth, and we won several new customers, primarily with our Product Related Services for EPOS systems focusing on installation, monitoring and maintenance. There was a similar picture in our expanding service-station business, where we provided additional support and help-desk services. At the same time, we took further steps to build up our network of service specialists for retail groups.

Sales of Managed Services for checkout and self-service systems showed a promising increase, primarily as a result of retail cash management projects.

In Asia and elsewhere, we successfully marketed our tried-and-tested service concepts for international retail chains wishing to expand their global branch network ("New Store Opening"). As a result, we gained a number of new customers and provided support for the opening of new branches.

PERFORMANCE, FINANCIAL POSITION AND ASSETS.

Performance. In the year under review, the Group's profit for the period fell 7% to €106 million (2008/2009: €114 million).

Reconciliation of Result from Business Operations (EBITDA). €m

	2009/2010	2008/2009
Profit for the period	**106**	**114**
+ Income taxes	50	49
+ Financial result	6	11
+ Amortization of product know-how (exceptional item)	0	5
EBITA before amortization of product know-how	**162**	**179**
+ Amortization/depreciation of tangible fixed assets and licenses	52	50
+ Write-down of reworkable service parts	9	6
EBITDA before amortization of product know-how	**223**	**235**

Group sales ended fiscal 2009/2010 down €11 million at €2,239 million (2008/2009: €2,250 million). There were no changes in the percentage levels. Sales in the Retail segment grew by 3%, whereas the Banking segment recorded a 2% decline.

Once again this year, Wincor Nixdorf's aim was to improve its cost structure with the help of the Group-wide programs "ProImprove", which forms the basis of efficient cost management, and "ProFuture", whose aim is to create even better processes and structures.

Despite these efforts, the gross margin on net sales before exceptional items resulting from the amortization of product know-how fell by 0.8 percentage points to 25.1% (2008/2009: 25.9%) on account of mix-specific factors and lower economies of scale.

Spending on research and development over the reporting period was down 2% or €2 million at €101 million (2008/2009: €103 million). At 4.5%, the R&D ratio was slightly below the figure for the previous year (2008/2009: 4.6%).

Thanks to strict cost management, the ratio of selling, general and administration expenses to net sales remained almost unchanged at 13.4% (2008/2009: 13.3%). Selling, general and administration expenses, including other operating income and expenses, were down by €1 million at €299 million (2008/2009: €300 million). There were no changes in the percentage levels.

EBITA was hit by the fall in the gross profit margin and ended the reporting year €17 million, or 9%, lower at €162 million (2008/2009: €179 million). Consequently, the EBITA margin fell by 0.8 percentage points to 7.2% (2008/2009: 8.0%).

The downturn is also reflected in the figure for EBITDA, which showed a year-on-year decline of €12 million, or 5%, to stand at €223 million (2008/2009: €235 million). The EBITDA margin fell accordingly by 0.4 percentage points to 10.0% (2008/2009: 10.4%).

Financial Position. Cash flow from operating activities fell by 13% to €154 million, which corresponds to a decline of €23 million compared to the figure of €177 million posted last year. One key factor here was the lower EBITDA, which contracted by 5% to €223 million (2008/2009: €235 million). At €5 million (2008/2009: €9 million), by contrast, interest payments produced a lower level of cash outflows. Tax payments totaled €52 million, down on last year's figure (2008/2009: €65 million). The increase in working capital – mainly as a result of expanding inventories and higher receivables – to €235 million (2008/2009: €202 million) led to a cash outflow of €33 million. In the previous year, the Group had generated a cash inflow of €49 million due to lower working capital. By contrast, the increase in other assets and liabilities as well as higher accruals generated a cash inflow of €20 million (2008/2009: cash outflow of €36 million).

Cash flow. €m

	2009/2010	2008/2009
EBITDA	**223**	**235**
Cash flow from operating activities	154	177
Cash flow from investment activities	–62	–67
Cash flow from financing activities	–116	–101
= Change in liquidity	**–24**	**9**
Cash and cash equivalents at the beginning of the period	6	–3
Cash and cash equivalents at the end of the period	**–18**	**6**

Cash outflows attributable to investing activities were scaled back by 7% to €62 million (2008/2009: €67 million). Cash outflow for investments in intangible assets and property, plant and equipment amounted to €53 million (2008/2009: €52 million). As in previous years, the main focus of this investment activity was on other fixed assets and office equipment as well as on Outsourcing business. There were no acquisitions during fiscal 2009/2010. By contrast, a net amount of €8 million had been used for the purpose of corporate acquisitions in fiscal 2008/2009.

Cash flow from financing activities produced an outflow of €116 million (2008/2009: €101 million). One key factor here was the dividend payment of €59 million (2008/2009: €67 million). Additionally, a net amount of €37 million was spent on loan repayments (2008/2009: €33 million). In fiscal 2009/2010, we also repurchased own shares (treasury shares) for €14 million. An additional €4 million was spent on the purchase of further minority interests in Bankberatung Organisations- und IT-Beratung für Banken AG.

Free cash flow (cash flow from operating activities less capital expenditure on intangible assets, property, plant and equipment and reworkable service parts) declined by 22% to €91 million (2008/2009: €116 million).

The Group's net debt again fell by 11% to €134 million (2008/2009: €150 million).

Rating. At present, Wincor Nixdorf does not a have a rating from an external rating agency. In the past, due to our positive cash flow from operating activities and the credit lines available to us, we have not commissioned a rating process with a rating agency. According to the information we have received from a number of well-known lenders, our creditworthiness is classed as good.

Assets. Compared to the previous year, the balance sheet total was up 6% or €72 million at €1,271 million (2008/2009: €1,199 million). On the asset side, this increase was almost entirely due to a rise in inventories and in current receivables and other assets. On the liabilities side, there were increases in equity, trade payables and other current liabilities, alongside a substantial fall in non-current financial liabilities.

Assets. €m

	Sept. 30, 2010	Sept. 30, 2009
Assets		
Intangible assets	352	358
Tangible assets and financial assets	154	147
Non-current receivables and other assets	52	51
Non-current assets	**558**	**556**
Inventories	288	254
Current receivables and other assets	405	373
Cash and cash equivalents	20	16
Current assets	**713**	**643**
Total assets	**1,271**	**1,199**
Equity and Liabilities		
Equity (incl. non-controlling interests)	**358**	**330**
Pension accruals and other accruals	70	56
Financial liabilities	115	155
Other liabilities	24	23
Non-current liabilities	**209**	**234**
Other accruals	146	139
Trade payables	274	257
Other current liabilities	284	239
Current liabilities	**704**	**635**
Total equity and liabilities	**1,271**	**1,199**

The figure for intangible assets was almost unchanged year on year, with a carrying amount of €352 million (2008/2009: €358 million). Amortization of commercial patents and licenses amounted to €12 million (2008/2009: €12 million), while investments in software, especially for Outsourcing projects, totaled €5 million (2008/2009: €11 million).

The carrying amount of property, plant and equipment was up €7 million on the previous year at €153 million (2008/2009: €146 million). Capital expenditure on property, plant and equipment amounted to €46 million (2008/2009: €44 million). The principal investments made here were in IT equipment, specialist tools and plant and machinery. Depreciation in the year under review amounted to €40 million (2008/2009: €38 million).

The figure for non-current receivables and other assets showed a small rise of €1 million to €52 million (2008/2009: €51 million). Within this item, reworkable service parts were €2 million higher at €21 million (2008/2009: €19 million), and there was a rise in deferred tax assets of €3 million to €26 million (2008/2009: €23 million); however, the figure for other assets ended the fiscal year €4 million lower at €2 million (2008/2009: €6 million), primarily on account of the lower surplus of plan assets over pension obligations.

Inventories rose by €34 million to €288 million (2008/2009: €254 million). At the same time, current trade receivables were up €29 million to €341 million (2008/2009: €312 million). This increase was mainly due to an improvement in business in the second half of the reporting year compared to the second half of fiscal 2008/2009.

Current bank deposits ended the fiscal year higher at €20 million (2008/2009: €16 million), while current bank liabilities rose by €27 million to €38 million (2008/2009: €11 million).

Equity, including non-controlling interests, rose by €28 million to €358 million (2008/2009: €330 million). The reduction caused by the payment of dividends totaling €59 million (2008/2009: €67 million) contrasts primarily with an increase of €106 million in the equity figure from profit for the period (2008/2009: €114 million). In the fiscal year under review, the repurchase of treasury shares produced an additional decline in equity of €14 million. Equity movements are described in the table entitled Changes in Equity.

Non-current financial liabilities fell by a substantial €40 million to €115 million (2008/2009: €155 million), mainly as a result of lower borrowings from the revolving facility at the end of the reporting year. Under the terms of this revolving facility, the Wincor Nixdorf Group was granted a credit line of €350 million by a consortium of banks for a period of seven years up to August 2, 2012. Borrowings are subject to interest based on the EURIBOR plus a margin. The entire credit line is still available until expiry of the agreement without any obligation to make principal repayments before that time.

Current other accruals increased by €7 million to €146 million (2008/2009: €139 million). This was mainly the result of a rise in personnel accruals. From the present perspective, the recognized accruals sufficiently cover all of the Group's probable obligations.

Compared to the previous year, other current liabilities were up €45 million at €284 million (2008/2009: €239 million). This increase was predominantly due to higher financial liabilities and a rise in the figure for other liabilities.

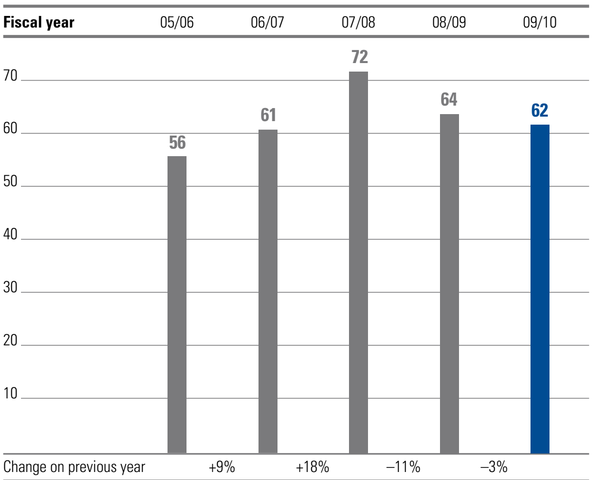
The Group also has future non-balance sheet liabilities in relation to tenancies, leasing agreements, long-term purchase contracts and purchase commitments totaling €125 million (2008/2009: €119 million).

Overall Assessment of the Business Environment. Providing there is no renewed destabilization of the global economy, we believe that fiscal 2010/2011 will act as a transitional phase. Within the next two fiscal years, we expect Wincor Nixdorf to return to the levels that it previously set as its objective with a view to maintaining a steady rate of expansion of the business. That means profitable growth with increases in net sales and operating profit of 6% and 8% respectively. The point at which we achieve this return to strong growth will depend largely on the speed at which the markets recover.

CAPITAL EXPENDITURE.

In the year under review, we adjusted our level of capital expenditure in line with the overall performance of business. Investments were made for the purpose of increasing capacity and streamlining processes – and thereby boosting productivity – as well as promoting innovation and enhancing the quality of our hardware, software and services.

Capital Expenditures History. €m



In fiscal 2009/2010, we invested €62 million (2008/2009: €64 million) in total, primarily in the area of software and data processing systems, specialist tools and production facilities, as well as in other fixed assets, office equipment and reworkable service parts. At €15 million (2008/2009: €13 million), expenditure on our Outsourcing business in Germany again formed one of the focal points of investment spending.

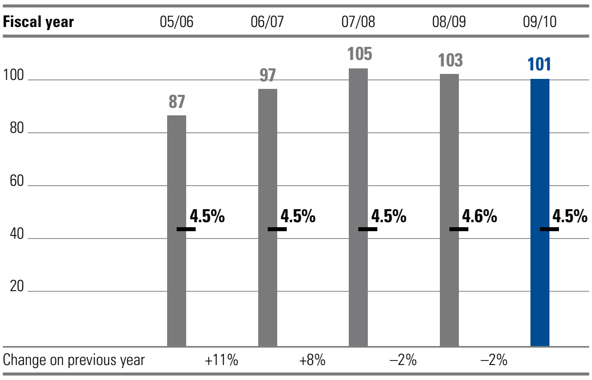
NON-FINANCIAL INDICATORS.

Research and Development – Creating Added Value through Innovation.

The future success of our Company depends to a large extent on our ability to offer our customers new products and solutions to meet their changing requirements. To ensure that we remain in a position to do so, in fiscal 2009/2010 we again channeled a significant proportion of our financial resources into research and development. The Group's global spending on Research and Development was 2% lower at €101 million (2008/2009: €103 million). The R&D ratio fell 0.1 percentage points to 4.5% (2008/2009: 4.6%).

The Group's total R&D headcount on the reporting date was 882 (2008/2009: 956). This means that nearly every tenth of the entire workforce, based in Germany, Switzerland, Brazil, Singapore and China as part of international development networks, is dedicated to ensuring that Wincor Nixdorf becomes even better and more innovative. During the year under review, we were able to submit 88 new patent applications (2008/2009: 83). The total number of active patent rights was 1,138 (2008/2009: 1,103).

History of R&D Expenses plus Embedded R&D Ratio in % of Net Sales. €m



Main Focus of R&D Activities. Wincor Nixdorf's activities in the field of R&D are concentrated in three main areas:

- the development of convergent platform technologies for our core business activities in retail banking, the retail industry and in related areas of business
- software as the key to optimizing the overall branch process chains of retail banks and retailers
- continuous improvements to the serviceability of our hardware and software

Identical Base Technology for New Cash Processes. In the last fiscal year, we presented our banking and retail customers with a fundamentally new concept for cash cycle management (see also "Our Solutions Portfolio"). This Cash Cycle Management Solutions portfolio has been designed modular and on the basis of convergent platform technologies, allowing customers to combine different scenarios as required for banking or retail purposes.

New cash recycling systems – devices that are able to store cash paid into an ATM before disbursing it – are now also based on this standard technology platform.

We also focused on the area of image recognition and applied our know-how to develop several new applications for both industries. With the approval of the German Bundesbank, we integrated a new sensor into the latest generation of systems as a means of identifying genuine notes.

We made further improvements to our Cash/Check Deposit Module (CCDM) to enhance image recognition, processing speed and availability.

We also expanded our portfolio of security solutions, above all through the continued development of video and image recognition technologies. By way of example, the latest generation of ATMs is fitted with an optical process that can identify cases of attempted fraud. For our retail customers, we conducted research into the automatic and secure optical recognition of products. The aim here is to automate the product identification process at the supermarket checkout and consequently speed up checkout throughput times.

Major Expansion of Software Portfolio. To complement the existing cash process management functions of our Retail Banking Suite, we added new applications (see also "Our Solutions Portfolio"). Our Retail Banking Suite has been certified as meeting the Payment Application Data Security Standard (PA-DSS) developed by the Payment Card Industry (PCI). Supported by companies such as American Express, MasterCard Worldwide and Visa, PCI defines a series of comprehensive requirements governing secure card payments. The Retail Banking Suite was one of the first solutions to achieve this milestone of data security.

We made a number of changes to our Retail Suite to meet the requirements of international companies and to control a range of checkout scenarios.

Simplifying Maintenance. One of our development objectives is to further simplify the maintenance of our products and solutions. The device software for our new generation of systems uses a new technology that offers numerous benefits, including additional diagnostic options. Each individual component in this new hardware generation behaves like a "talking device" and can transmit information to the Wincor Nixdorf eServices platform, allowing us to conduct an online inventory and provide rapid and targeted support. Operators will now be able to resolve faults more easily themselves thanks to a new graphical user interface.

Wincor Nixdorf's new Connectivity Box simplifies the task of monitoring all the self-service systems installed at a bank (see also "Our Solutions Portfolio").

We are also taking steps to build on our expertise in the area of coin processing. The aim here is to develop our own components and systems for each market segment.

During the year under review, we applied our own technologies to improve the way cash is protected in storage media. One method sprays the banknotes with indelible ink in case of theft or unauthorized opening.

As well as devising new products and solutions for customers, our engineers and developers harness the power of innovation to optimize our own internal processes. In order to increase our efficiency in this area, we implemented a fundamental change in our internal development processes as part of the ProFuture project. At the heart of this new model is a switch from line-based to project-based development. We have initiated a project that draws on the recognized CMMI model (Capability Maturity Model Integration) to optimize processes and improve coordination across all our global development sites. We expect to reduce project development times, boost efficiency and achieve results of a higher quality.

Purchasing, Production and Logistics – Exploiting Synergies to Reduce Costs and Raise Productivity.

In response to sluggish demand for hardware in the year under review, Wincor Nixdorf's Purchasing, Production and Logistics units concentrated on efforts to further reduce costs, optimize organizational processes and hedge purchases of business-critical components.

Purchasing represents more to us than the mere procurement of products and services. The focus here is on striking a perfect balance between favorable pricing and best-in-class quality. In recent years we have cast our net widely on the international markets in order to source and buy the materials we need for our products. During the year under review we extended our purchasing activities by also taking steps to optimize our purchases of non-production materials. This meant working more closely with our subsidiaries as a way of obtaining more favorable purchasing terms and prices. To this end, we set up a project team which established best-practice principles and advised on the choice of suppliers. The aim here is to collaborate across Europe as a whole with the same strategic suppliers and to use similar components in order to make greater use of available synergies. Potential cost savings were identified above all in the area of non-production materials. Encompassing materials needed for our own requirements as well as merchandise, they account for a significant proportion of overall purchasing volumes.

The continued lull in demand for our hardware meant additional pressure on **Production and Logistics.** With regard to the first of these, we made strenuous efforts above all to increase our flexibility and adapt our production capacity as quickly as possible. As well as introducing shorter hours on a temporary basis, we cut back, for example, on bought-in services at all our production sites. We also strengthened the position of our production sites in Shanghai and Paderborn within the Group as full subsidiaries.

We are always at our customers' service, wherever they need us. This also applies to Wincor Nixdorf's production facilities. We further boosted productivity in our production network. This involved maintaining our "local for local" strategy, i.e., supplying local markets from decentralized production sites close to the customer. During the year under review, the majority of orders for the Asian market were supplied from our production sites in Singapore and Shanghai.

Wincor Nixdorf has also established itself as a benchmark when it comes to logistics and production processes. With the help of an international team of experts, we reviewed these processes at each site in order to identify potential new savings and further optimize our best lean production practices as standard. The results are clear – a substantial reduction in process costs and improved process quality. In addition, we plan to introduce process-related personnel indicators to allow transparent international benchmarking across Wincor Nixdorf's production network and help us to respond even faster to changing market conditions.

Quality – More Reliable Products, More Satisfied Customers.

When we talk about the quality of our products, above all we mean their outstanding reliability and stability. Our hardware and software stand out on account of the superb levels of availability and back-up security they provide for our customers. In turn, this means they can also guarantee absolute reliability to their own customers.

For us, quality is not a particular state that we expect to achieve. We see it as a commitment to our own future and that of our customers. For this reason, we constantly strive to make further improvements in the reliability of our hardware and to enhance the fail-safe characteristics of our systems. Every new product, component and module is based on the latest technology. As we acquire new expertise, we integrate it continuously into our own manufacturing processes, into the processes and components of our suppliers and partners, and, where required, into previously installed systems.

Software reliability depends crucially on the stability of the respective applications. From the outset, our development processes are deliberately structured in a way that allows us to identify potential implementation difficulties in the customer's environment and eliminate them at an early stage. Before installation and integration, we test the software in an environment matching the conditions at the customer's site. We look for any weak spots and rectify them accordingly. We also provide fast, ongoing support after installation to ensure continued smooth operation.

To help ensure maximum availability, we offer to integrate our solutions into the customer's IT environment. The sole aim of these Professional Services, which at the preliminary stage can include process and branch consulting, is to make our customers' IT-supported processes even more effective and secure – and thus more reliable.

To ensure that our customers can rely on the hardware and software we supply, we have developed specific concepts to avoid system downtime. Thanks to the eServices platform developed by Wincor Nixdorf, potential faults can be identified in advance and fixed remotely during operation. In the event that a system does fail, our highly qualified technical staff are on hand to solve the problem without delay.

We are so confident of the quality of our solutions that we take complete responsibility for their efficient operation at the customer's site, subject to clearly defined parameters. By using innovative technology, at end-user level we can guarantee the maximum availability and fail-safe performance of our self-service systems and our information and communications solutions.

Employees – Helping to Shape the Future, Sharing in Success.

Our over 9,000 employees in more than 40 countries rise each day to the challenge of optimizing our customers' IT processes. It is our employees who push forward development, innovate, help to shape markets and, last but not least, create the image we enjoy among customers, partners and the wider public around the world. They play a crucial role, especially in this era of globalization. Ultimately, it is their commitment and creativity that make the difference in international competition, and as such it is they who lay the foundation for the Company's long-term success.

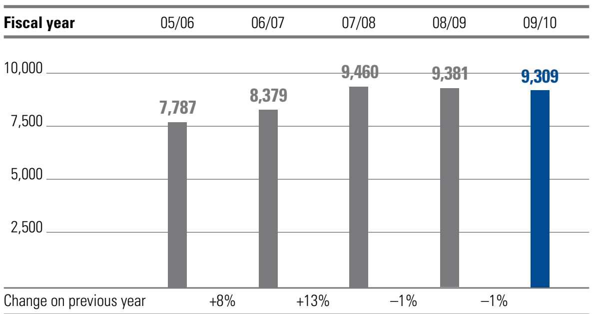
We are aware that the performance, skills and commitment of our employees are of fundamental importance in our efforts to consolidate and build on our leading position. One of our key tasks is therefore to develop and introduce specific programs and measures that will promote a culture based on values such as commitment, creativity and knowledge. At the same time, it is important to prepare the Company and its employees to meet the business challenges of the future.

Rewarding Good Performance. Good performance deserves to be recognized. For a large part of the workforce, our pay systems include a number of variable components based on the economic success of the Group and the results achieved in individual areas. This longstanding element of our remuneration policy is a way of boosting the commitment of our workforce and encourages them to identify with the Company.

Furthermore, in order to motivate our employees to perform to the highest standards over the long term and as a way of assessing their performance in a fair and appropriate way, we have now introduced additional performance management tools.

Headcount. At the end of the reporting year on September 30, 2010, the global headcount was down 72 on the previous year at 9,309 (2008/2009: 9,381).

Development of Headcount.



In total, the Group's headcount outside Germany rose slightly to 5,203 (2008/2009: 5,193). The headcount in Germany was down on the previous year at 4,106 (2008/2009: 4,188).

During the period under review, Wincor Nixdorf made use of the options provided by the rules on short hours to adapt its production capacity in Germany to the economic situation while largely maintaining staffing levels. Around 1,600 employees in the German organization, i.e., approximately 40% of the German workforce, were involved in working shorter hours.

People with Spirit – Developing Leadership, Encouraging Talent and Equipping the Next Generation. Highly motivated employees are the foundation of Wincor Nixdorf's success. We can only create excellent products and solutions if we have an excellent team, and that is something you need to work at.

The recruitment and development of new staff to meet our strategic requirements is therefore of critical importance to Wincor Nixdorf, and this is reflected in our HR policy. During the reporting year, for example, we took further steps to expand our Group-wide staff development programs. By doing so, we aim to cover our long-term requirements for qualified technical and managerial employees in line with the Company's aims.

Our approach emphasizes the promotion of employees from our own ranks. By offering them targeted professional development, we are contributing significantly to the success and future health of our Company. Staff development measures are geared towards employees at all levels of the organization.

Our investment in HR planning also includes measures to systematically identify future leaders and to strengthen the Group's project management culture. We see ourselves as a learning organization. All over the world, we are expanding our range of training courses, and we aim to ensure that best practice is shared by the entire workforce. At the heart of these efforts are seminars and workshops for technical, managerial and sales staff as well as product training.

Training the Next Generation. At Wincor Nixdorf, we have a long tradition of training up young people and see this partly as a way of exercising responsibility for the region and society as a whole. Forward-looking personnel work as a way of safeguarding our own future and offering prospects to young people is the principle that drives our wide-ranging activities in this area.

One of the consequences of demographic change is a growing shortage of skilled young people, especially in technical professions. For this and other reasons, we conduct our own training in many disciplines or support students on selected courses by means of a grant. We provide both apprentices and students with precisely those skills that will be needed by international firms in the future by focusing on specific areas and arranging practical training in line with our requirements.

We work closely with universities and polytechnics to achieve this and in fact were able to expand our partnerships with these institutions during the year under review. We offer placements and joint work/study contracts to students in many disciplines so they can learn more about what we do at first hand and to allow us to get to know each other. On the one hand, this enables young people to access career opportunities in a global company; at the same time, however, we want to establish this mutually beneficial connection at an early stage in order to position ourselves as an attractive employer in the competition for highly qualified graduates.

Supporting Talent. Changing markets, growing internationalization and ever greater competition mean that we have to take a proactive approach to the task of finding qualified people for key positions in the Company. The best place to begin in the search for and development of these future key players is among our own ranks and from our own pool of talent. To this end, Wincor Nixdorf has already launched an international program to systematically identify talented individuals across the entire Group and to prepare them for future roles. At the same time, we have made continuous improvements to our processes in relation to the selection and development of talented individuals for international positions.

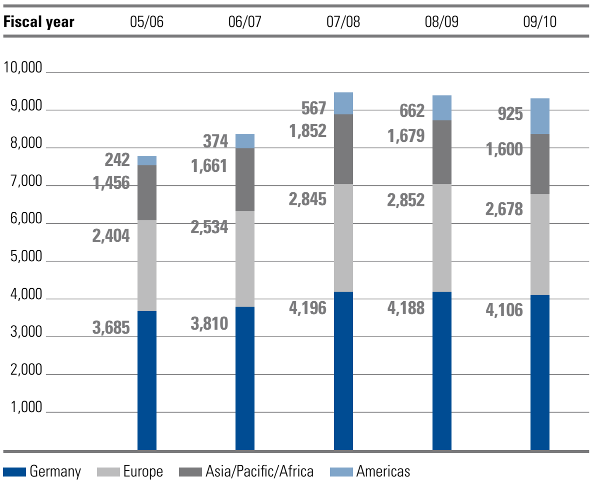
Our international talent pools are specifically geared towards the requirements of Wincor Nixdorf and aim to identify individual employees with outstanding potential for professional development. This annual process begins with an assessment center. The presence of Wincor Nixdorf's Executive Board is intended to demonstrate the importance we attach to the promotion of talented people.

Fostering the Next Generation. Wincor Nixdorf is aware that it needs to be proactive when it comes to meeting its future staffing needs and has therefore adopted a system of strategic planning. Potential new leaders are identified and systematically prepared for possible duties within the organization. This is not just a question of finding someone to fill a certain post but of identifying and supporting those employees early on who can offer commitment, creativity and personal skills and who can later take over new and existing managerial roles as they arise or fall vacant.

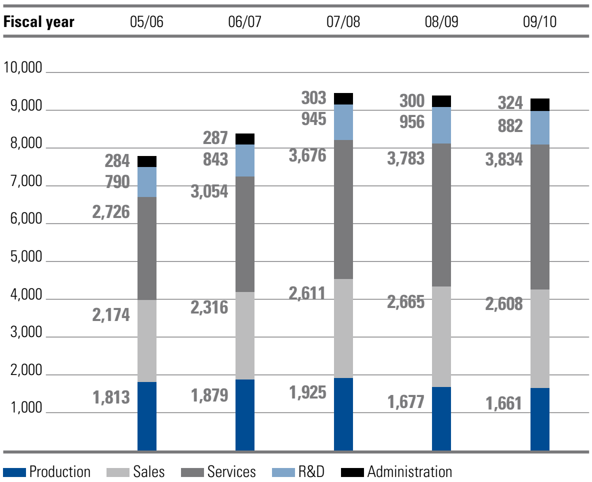
Developing Leadership. Our managerial staff are key multipliers within the Company. They act both as models and drivers of a positive and performance-led company culture. As such, they exert the greatest influence on the immediate working environment of their colleagues. One of their main roles is to create a highly motivating environment in which employees will give of their best and be able to develop their skills. In-house managerial training is a key element of our staff development policy and is designed to support Wincor Nixdorf's business culture. Managerial staff is shown how they can develop a motivational leadership style and deal confidently with the process of change. They are expected to promote initiative and commitment among employees and to encourage personal creativity and an entrepreneurial approach. As part of this ongoing process, employees at Wincor Nixdorf can acquire the skills they need to actively shape their own areas of responsibility as "People with Spirit".

Extending Project Management. In order to meet the requirements of complex projects with an international dimension, we have stepped up our training program in the area of project management and set up new training concepts for project managers. Through the establishment of project management offices worldwide, we have made further progress towards our goal of creating an international project management community. At the same time, we have introduced an internal certification process for project managers as a means of standardizing requirements in terms of theoretical knowledge, practical experience and personal skills.

Development of Headcount by Regions.



Development of Headcount by Functions.



Multiplying Knowledge. To prepare our employees as well as possible for their individual tasks, we also encourage them to share their knowledge and experience across borders. Colleagues from different countries meet in virtual team rooms, hold joint conferences and training courses, and exchange knowledge and information in a fast and efficient way.

Our well-established and proven system of inviting suggestions from the workforce acts as a channel for creative ideas that can subsequently be put into action for the benefit of the entire organization. Indeed, creative employees make an essential contribution to our capacity for innovation. Innovative ideas and proposals help to enhance quality and thus boost our competitiveness.

Achieving Success through a Commitment to Sustainability.

We firmly believe that adopting a sustainable approach to our business activities is a precondition for success. This conviction is manifest in our commitment to achieving a balance between economic, environmental and social objectives. Indeed, the concept of sustainability pervades the entire organization. As such, our focus on economic growth is accompanied by a determination to make careful use of natural resources, support and develop our employees and translate our social responsibilities into positive action.

Holistic Approach to Resource Use. As a global IT provider, our aim is to design solutions that have a minimal impact on the environment, while making the most efficient use of resources possible. To this end, the solutions we deliver are manufactured to extremely high standards with regard to economic and environmental sustainability.

When assessing the resource impact of our activities, we follow the end-to-end principle. This involves establishing the costs of a system over its whole lifetime in order to produce an analysis of the total cost of ownership. Included in this assessment are the total costs of hardware, software and services, every aspect of their subsequent use at the customer's site, and the consumption of other resources such as energy.

Environmental Protection from the Outset. At Wincor Nixdorf, we take environmental issues seriously at every stage of the product life cycle, from product planning, development, production and logistics to after-sale support, maintenance, return and recycling. As early as the planning and development stage, we strive to use components that combine low environmental impact with maximum energy efficiency. Through the selection of low-energy components in conjunction with improved software, we are able to respond to the demands of our customers for enhanced performance with minimum use of resources. In turn, this allows them to make significant cuts in their energy consumption and operating costs. Wincor Nixdorf is therefore able to support its customers' efforts to achieve their economic and environmental targets.

Meeting International Standards. All Wincor Nixdorf's products are designed in line with international regulations to promote the development of recycling-friendly products with a low environmental impact (EC WEEE directive) and lower energy consumption (EC EuP directive), and to restrict the use of hazardous substances (EC RoHS, REACH directives). During the year under review, a project group was responsible for the ongoing implementation of measures initiated by Wincor Nixdorf as early as fiscal 2006/2007 in response to REACH, the European Community Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (1907/2006/EC).

We also expect our suppliers to incorporate and observe the relevant environmental standards. To this end, we ensure that they comply with Wincor Nixdorf's code of conduct for suppliers and expect them to implement an ISO 14001-certified environmental management system. Our suppliers are audited on a regular basis to monitor their compliance with strict environmental standards.

Naturally, we apply these same environmental standards to ourselves. The environmental management systems introduced by each of the production sites making up our international network – in Paderborn, Ilmenau, Burgdorf (Switzerland), Singapore and Shanghai – are all ISO 14001-certified. By using modern technology, we can save energy, materials and water, and avoid waste, water contamination and emissions.

One such example is our new paint facility in Paderborn, where the use of heat-capture technology has made significant improvements to energy efficiency and helps to reduce our environmental impact through a substantial cut in the volume of wastewater.

Our electroplating systems provide another example. In order to reduce the need for fresh water and the production of waste to a minimum, rinsing water is reused several times, and we take effective measures to ensure that the contents of one plating bath are not transferred to the next. Furthermore, no hazardous substances (e.g., cyanide, chromium (VI) compounds) are used in our electroplating processes.

Managing the Cash Cycle – Cutting Energy Use and CO_2 Emissions. Wincor Nixdorf has a clear vision. Through the development of Cash Cycle Management Solutions, we want to streamline cash handling at bank and retail branch level and create intelligent links between overarching cash processes. Cash cycle management technology produces a much shorter cash cycle and much lower handling and logistics costs. New systems are designed in such a way that they use considerably less energy than previous-generation systems.

Optimizing Secure Transport. Thanks to our cash management, we are able to reduce the number of secure transport journeys required and thus cut CO2 emissions. One of the solutions we apply in this field is the cash management application from our Retail Banking Suite. By using this application, for instance, refill intervals and quantities for ATMs and automated teller safes can be determined precisely (see also "Our Solutions Portfolio"). As a result, the number of secure transport journeys can be reduced by up to a third.

Streamlining Customer Processes. We offer our customers an option to link their IT systems to Wincor Nixdorf's support resources via our modern eServices platform. Remote automated maintenance can identify and often resolve incidents or disruption at an early stage before they cause a system crash. We are now in a position to fix a large proportion of such incidents remotely, thus reducing the need to deploy technical staff to a minimum.

Only in cases where these measures do not resolve the problem do we need to deploy our technical staff. The latest diagnostic methods and technologies mean that we can react and solve any problems that arise more quickly. With service parts available from local facilities, our technicians can be on site within a short period, thus avoiding the need for long journeys.

Reducing our Customers' Operating Costs. By incorporating an energy-saving processor and an energy-efficient power supply, our BEETLE checkout systems help to achieve a substantial cut in electricity costs. Furthermore, our intelligent power management system is equipped with a number of energy-saving operating modes to ensure that the power consumed does not exceed the actual amount required. This also helps to make substantial energy savings and therefore minimize our customers' operating costs.

For some of our customers we operate and maintain entire computer centers. These are based on advanced technology in order to optimize customer utility as well as reduce costs. One such example is the virtualization of server resources. This involves intelligent management systems that make the necessary hardware available as and when it is required, thus making it possible to divide or combine computer processing power to meet current requirements. As well as significantly reducing hardware needs, this can produce a saving of up to 75% in energy consumption, including air-conditioning.

Communication – Maintaining a Dialog with Customers, Partners and the Media.

With the volume of information increasing at a frenetic pace, we believe that our communications need to ensure transparency, provide a means of orientation, pass on knowledge and promote confidence in our performance. At national and international level and in close collaboration with our subsidiaries, we make use of the full range of communication tools at our disposal, including digital and printed media, press releases, industry trade fairs and seminars.

Dialog as a Source of New Ideas. We see the process of communication as that of actively engaging in dialog, in order to learn, for example, about the views, expectations and challenges of our partners and thereby obtain new ideas that can help us move forward.

This dialog with our customers is maintained in part through our global sales organization and at a number of well-established business events, including particularly our own "Wincor World" international trade fair. To exchange information with bank managers, during the year under review we held our "International Management Seminar", the "Retail

Banking Conference" (run in collaboration with the internationally renowned German financial journal Börsen-Zeitung) and a specialist banking conference aimed at German-speaking customers.

Communication Focus on Cash Management. Over the last year, one of the main areas we focused on in our communications work was our new portfolio of Cash Cycle Management Solutions. This took the form of a diverse information campaign, including a highly regarded presentation at our international Wincor World 2010 trade fair, attended by over 7,000 industry visitors from more than ninety countries. The campaign was accompanied by intensive media relations work around the world as well as frequent reports in our customer magazine "report".

Promoting Quality Journalism. Independently of our own intensive media work, Wincor Nixdorf is also committed to promoting quality journalism. By way of example, we support the "German Bank & Insurance Journalism Prize", which is awarded for outstanding articles on strategies, products and services in the banking industry.

OUTLOOK.

Business Environment in the next two Fiscal Years.

Future Macroeconomic Situation. The latest economic indicators published in fall 2010 and at the beginning of our fiscal year 2010/2011 are markedly upbeat. The International Monetary Fund (IMF) now anticipates renewed growth across the world.

According to the IMF, German GDP will rise by 2.0% in 2011, while the eurozone is expected to grow by 1.5% and the U.S. economy by 2.3%. Its researchers expect the global economy to deliver growth of 4.2% in 2011.

Once again, in the view of the IMF, it is the emerging markets that will drive global economic growth in 2011. The main players here will be the BRIC states: China with growth of 9.6%, India on 8.4%, Russia with 4.3% and Brazil on 4.1%.

At the same time, however, and especially in the industrialized countries, there are potential risks that could hamper or quickly derail a sustained macroeconomic recovery. These include the high levels of national debt maintained by the United States, the United Kingdom and a number of countries in the euro zone such as Ireland, Portugal and Greece.

In addition, we cannot exclude the possibility of aftershocks from the crisis in the form of instability on the international currency market.

Industry Outlook. After a decline in capital expenditure on IT among banks and retailers during the economic crisis, market analysts now anticipate renewed moderate to strong growth in both segments for the next years (all information according to PAC, 2010).

Bank industry investment in IT is expected to rise by an average of 5% per year in the period from 2010 up to 2013, equivalent to a global increase from €229 billion to €266 billion.

Looking at the retail industry, between 2010 and 2013 IT-related investment is forecast to rise by an average of approx. 4% per year, from €101 billion to €112 billion.

Overall Assessment of Future Business Environment. Looking ahead at the fiscal years 2010/2011 and 2011/2012, Wincor Nixdorf anticipates an increasingly more favorable business environment.

Providing there is no renewed destabilization of the global economy, we believe that fiscal 2010/2011 will act as a transitional phase, after which we should return to more familiar rates of growth. If the global economic recovery can be sustained, we should see an increasing readiness to invest among the companies in our target markets.

Group Focus over the Next Two Fiscal Years.

Our intention is to maintain the basic focus of our business policy. Both Wincor Nixdorf's business model and its strategy produced continued, sustainable growth in the years before the economic crisis and proved to be robust throughout the crisis itself.

During the economic crisis, it was clear that the fundamental trends in the retail banking and retail industries towards more efficient business processes and an even greater customer focus continued to gain importance. Another key factor here is that both sectors are keen to push ahead ever more forcefully with their plans to expand into the emerging markets, given the return to economic growth in those countries.

Taking this and the corresponding prospects for our business as our starting point, we are convinced that we have a strategy – one that we continuously adapt to new circumstances – that will allow us to build on our success to date. Each of the four growth levers in our strategy – global expansion, innovation, a comprehensive portfolio of high-quality services and the extension of our expertise into other areas – is capable of generating potential new growth. Together they form the engine that drives our operating business (see also Value Management, Targets and Strategy.).

In the future, too, our focus will be on achieving organic growth. In line with our strategy, we aim to expand our markets and business through our own resources and without any major acquisitions. We believe this approach is responsible for much of our strength and business stability.

Overall Assessment of Future Group Development.

The overall aim of the Board of Directors is to return the company over the next two fiscal years to the level of growth that it had previously set as its objective at the time of flotation, with a view to maintaining a steady rate of expansion of the business. That means profitable growth with annual increases in net sales and operating profits of 6% and 8% respectively.

The attainability of this goal in fiscal 2010/2011 will depend on the speed at which the markets recover.

Disclaimer. The statements made in the outlook are based on current assumptions and assessments made by the Board of Directors of Wincor Nixdorf AG. They are not intended to be taken as guarantees that these expectations will prove to be correct. The future performance and actual results achieved by Wincor Nixdorf AG and its affiliated companies depend on a series of risks and uncertainties and may, therefore, vary considerably from the forecasts made. Many of these factors, such as the future of the economy and the actions of our competitors and other market players, are outside the control of Wincor Nixdorf and cannot be predicted with any degree of certainty. There are no plans to update the forecasts made in this section. Wincor Nixdorf does not accept any specific obligation in respect of the forecasts in this report.

Group Income Statement for Fiscal 2009/2010.

€m

	2009/2010[1]	2008/2009[2,3]	Change
Net sales	**2,239**	**2,250**	**0%**
Cost of sales	–1,677	–1,668	1%
Gross profit	**562**	**582**	**–3%**
Gross profit as a percentage of net sales	25.1%	25.9%	–
Research & development expenses	–101	–103	–2%
R&D expenses as a percentage of net sales	4.5%	4.6%	–
Selling, general and administration expenses[4]	–299	–300	0%
SG&A expenses as a percentage of net sales	13.4%	13.3%	–
EBITA[5]	**162**	**179**	**–9%**
EBITA as a percentage of net sales (EBITA margin)	7.2%	8.0%	–
Amortization/depreciation of property, plant and equipment and licenses and write-down of reworkable service parts	61	56	9%
EBITDA	**223**	**235**	**–5%**
EBITDA as a percentage of net sales (EBITDA margin)	10.0%	10.4%	–
Amortization of product know-how	0	–5	5
Financial result (finance costs ./. finance income)	–6	–11	5
Profit before income taxes	**156**	**163**	**–4%**
Ongoing taxes on income and profit	–46	–43	–3
Deferred tax income and expenses	–4	–6	2
Total income taxes	–50	–49	–1
Tax rate	32%	30%	–
Profit for the period	**106**	**114**	**–7%**
Profit attributable to non-controlling interests	**0**	**0**	**0**
Profit attributable to equity holders of Wincor Nixdorf AG	**106**	**114**	**–7%**
Amortization of product know-how	0	5	–5
Calculated tax effect	0	–2	2
Profit for the period before carve-out	**106**	**117**	**–9%**

1) Oct. 1, 2009–Sept. 30, 2010.
2) Oct. 1, 2008–Sept. 30, 2009.
3) before profit charges arising from the carve-out.
4) including other operating income and expenses.
5) net profit on operating activities before interest, taxes and amortization of goodwill and product know-how.

Group Balance Sheet as of September 30, 2010.

Assets

€m

	Sept. 30, 2010	Sept. 30, 2009	Change
Non-current assets			
Intangible assets	352	358	–6
Property, plant and equipment	153	146	7
Investments	1	1	0
Reworkable service parts	22	19	3
Deferred tax asset	26	23	3
Other assets	4	9	–5
	558 44%	**556** 46%	**2** –
Current assets			
Inventories	288	254	34
Trade receivables	341	312	29
Other assets	64	61	3
Cash and cash equivalents	20	16	4
	713 56%	**643** 54%	**70** –
Total assets	**1,271**	**1,199**	**72**

Equity and Liabilities

€m

	Sept. 30, 2010	Sept. 30, 2009	Change
Equity	**358** 28%	**330** 28%	**28** –
Non-current liabilities			
Accruals for pensions and similar commitments	23	14	9
Other accruals	47	42	5
Financial liabilities	115	155	–40
Deferred tax liabilities	18	18	0
Other liabilities	6	5	1
	209 16%	**234** 19%	**–25** –
Current liabilities			
Other accruals	146	139	7
Financial liabilities	39	12	27
Advances received on orders	32	30	2
Trade payables	274	257	17
Current income tax liability	23	28	–5
Other liabilities	190	169	21
	704 55%	**635** 53%	**69** –
Total equity and liabilities	**1,271**	**1,199**	**72**
Working capital	**235**	**202**	**33**
Net debt	**134**	**150**	**–16**

Group Cash Flow Statement.

€m

	2009/2010	2008/2009	Change
EBITA	**162**	**179**	**–17**
Amortization/depreciation of property rights, licenses and property, plant and equipment	52	50	2
Write-down of reworkable service parts	9	6	3
EBITDA	**223**	**235**	**–12**
Interest paid	–5	–9	4
Income taxes paid	–52	–65	13
(+/–) Working capital	–33	49	–82
(+/–) Other assets and other liabilities, accruals and other non-cash related items	21	–33	54
Cash flow from operating activities	**154**	**177**	**–23**
Cash flow from investment activities	**–62**	**–67**	**5**
thereof acquisition activities	0	–8	8
thereof investment for reworkable service parts	–10	–9	–1
thereof investment for intangible assets and property, plant and equipment	–53	–52	–1
Cash flow from financing activities	**–116**	**–101**	**–15**
thereof net changes in financial loans	–37	–33	–4
thereof repurchase of own shares	–14	0	–14
thereof payments made to equity holders	–59	–67	8
Net increase/decrease in cash and cash equivalents	**–24**	**9**	**–33**
Cash and cash equivalents at beginning of period	6	–3	9
Cash and cash equivalents at end of period	**–18**	**6**	**–24**
Free Cash flow	**91**	**116**	**–25**

Segment Report.

Operating Segments.

€m

	Banking	Retail	**Group**
Net sales to external customers	1,497 (1,532)	742 (718)	**2,239** (2,250)
Operating profit (EBITA)	126 (145)	36 (34)	**162** (179)
Segment assets	562 (506)	262 (253)	**824** (759)
Segment liabilities	250 (243)	145 (124)	**395** (367)
Investment in property rights, licenses and property, plant and equipment	46 (48)	6 (7)	**52** (55)
Investment in reworkable service parts	8 (8)	2 (1)	**10** (9)
Amortization/depreciation of property rights, licenses and property, plant and equipment	44 (42)	8 (8)	**52** (50)
Write-down of reworkable service parts	7 (5)	2 (1)	**9** (6)
Research and development expenses	67 (70)	34 (33)	**101** (103)

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

Secondary information.

€m

	Europe	*Included in Europe: Germany*	Asia/Pacific/ Africa	Americas	**Group**
Net sales to external customers	1,603 (1,691)	*644* *(627)*	332 (359)	304 (200)	**2,239** (2,250)
Segment assets	560 (569)	*295* *(308)*	193 (131)	71 (59)	**824** (759)
Non-current assets	171 (170)	*153* *(150)*	16 (15)	6 (5)	**193** (190)
Investment in property rights, licenses and property, plant and equipment	43 (51)	*37* *(43)*	3 (3)	6 (1)	**52** (55)
Investment in reworkable service parts	9 (8)	*9* *(8)*	1 (1)	0 (0)	**10** (9)

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