Customer Focus.
Efficiency.
Reliability.

Annual Report 2013/2014

October 1, 2013 to September 30, 2014

WINCOR NIXDORF

EXPERIENCE MEETS VISION.

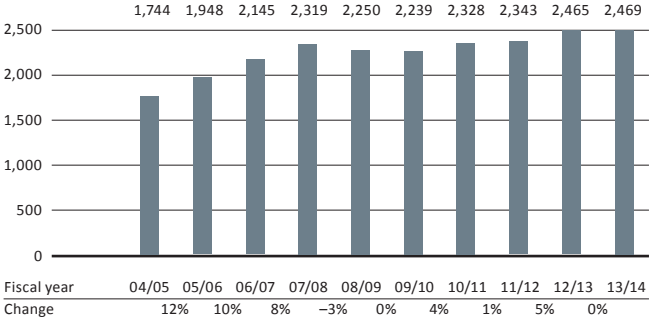
Key Figures 2013/2014.

	2013/2014[1]	2012/2013[2]	Change
Statement of Income. (€ millions)			
Net sales	**2,469**	**2,465**	**0%**
Gross profit	**544**	**543**	**0%**
Gross profit as a percentage of net sales	22.0%	22.0%	–
Research and development expenses	**–98**	**–99**	**–1%**
R&D as a percentage of net sales	4.0%	4.0%	–
Selling, general and administration expenses[3]	**–291**	**–312**	**–7%**
SG&A as a percentage of net sales	11.8%	12.7%	–
EBITA[4]	**155**	**132**	**17%**
EBITA as a percentage of net sales (EBITA margin)	6.3%	5.4%	–
Amortization/depreciation of property, plant and equipment and licenses and write-down of reworkable service parts	**61**	**59**	**3%**
EBITDA	**216**	**191**	**13%**
EBITDA as a percentage of net sales (EBITDA margin)	8.7%	7.7%	–
Profit for the period	**104**	**88**	**18%**
Profit for the period as a percentage of net sales	4.2%	3.6%	–
Earnings per share (€)[5]	3.39	2.93	–
Cash flow. (€ millions)			
Cash flow from operating activities	84	160	–48%
Cash flow from investment activities	–35	–50	–30%

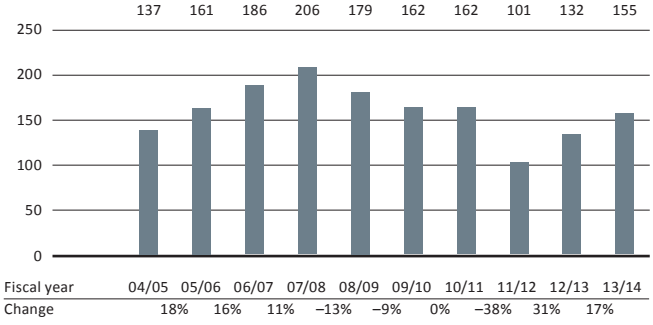
	Sept. 30, 2014	Sept. 30, 2013	Change
Key Balance Sheet Figures. (€ millions)			
Working capital	**394**	**340**	**54**
as a percentage of net sales	16.0%	13.8%	–
Net debt	**126**	**124**	**2**
Equity[6]	**427**	**383**	**44**
Human Resources.			
Number of employees (September 30)	**9,198**	**8,826**	**372**

[1] October 1, 2013 – September 30, 2014.
[2] October 1, 2012 – September 30, 2013
[3] Including other operating income as well as net income from investments recognized under the equity method.
[4] Net profit on operating activities before interest, taxes and amortization of goodwill.
[5] Calculated on basis of 29.796 million shares.
[6] Including non-controlling interests.

10-year Net Sales History. €m



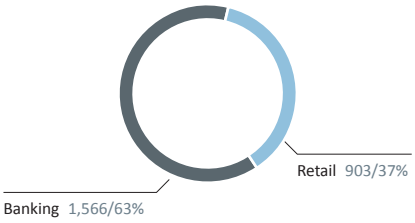
10-year EBITA History. €m



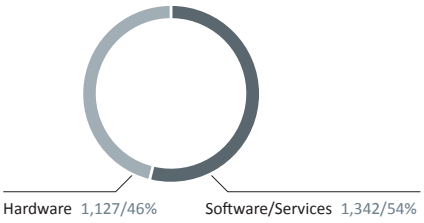
Profile.

Global IT Specialist at the Interface with Consumers. Wincor Nixdorf is one of the world's leading providers of IT solutions and services to retail banks and the retail industry. Drawing on a comprehensive portfolio of products and services, we are superbly placed to support and optimize our customers' business processes, especially at branch and store level. Employing a team of more than 9,000 people worldwide, we generated close to €2.5 billion in net sales during fiscal 2013/2014.

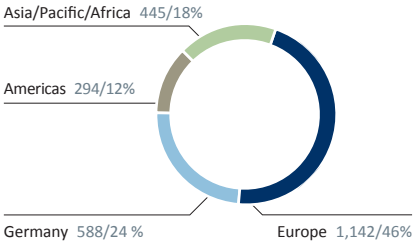
Net Sales by Segments. €m/%



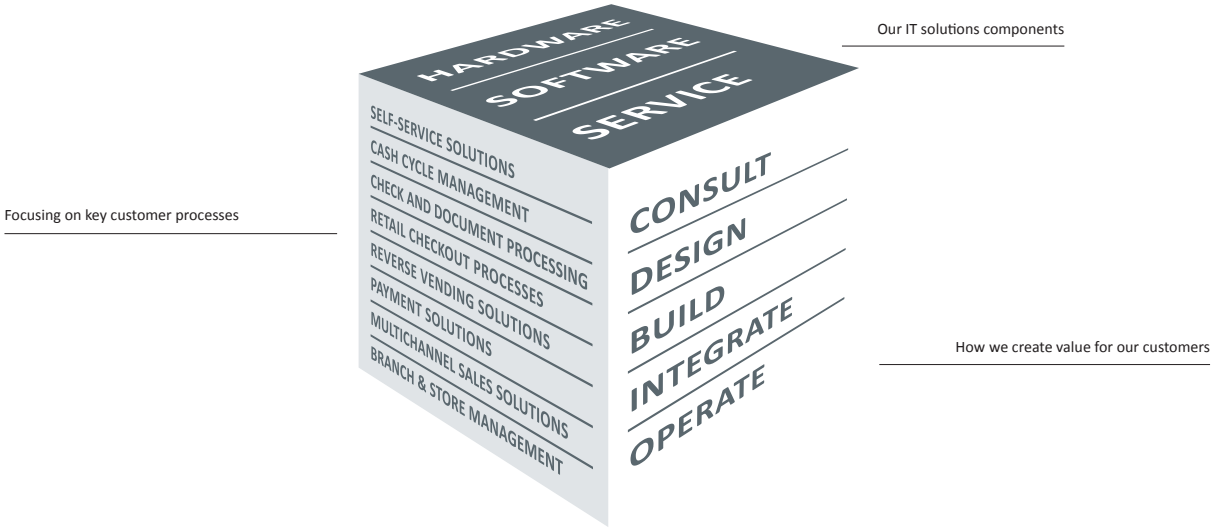
Net Sales by Business Stream. €m/%



Net Sales by Regions. €m/%

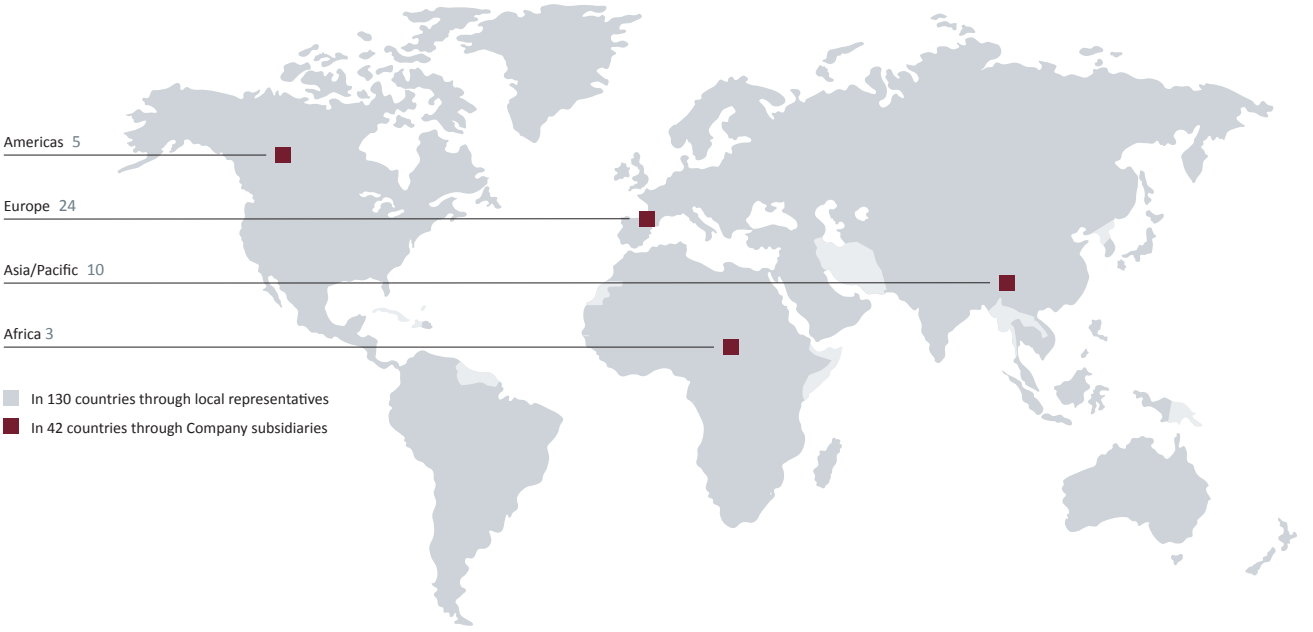


IT Solutions by Wincor Nixdorf.



Worldwide.

Excellence in Serving Customers Around the Globe.



Our Goal: Profitable Growth. Our Approach to Achieving It:

■ Building on our strength in Europe to generate global growth. ■ Cementing our market position through innovation. ■ Expanding our portfolio of high-end services. ■ Exploiting synergies by transferring know-how to related fields of application.

Summary of Fiscal 2013/2014.

■ Net sales comparable to previous fiscal year at €2,469 million. ■ EBITA up 17% to €155 million; this figure includes exceptional income of €20 million from the sale of a former production facility in Singapore. ■ Business influenced by negative foreign exchange factors in emerging markets as well as challenging economic conditions in Russia, Ukraine, and Turkey. ■ Growth in Germany; downturn in Europe. ■ Forward momentum in Asia/Pacific/Africa as well as Americas. ■ Expansion in Software/Services business; contraction in Hardware business. ■ Visible growth in Retail segment; net sales down in Banking segment. ■ Year-on-year increase in proposed dividend by 18% to €1.75 per share.

Outlook for Fiscal 2014/2015.

■ Moderate growth expected in net sales. ■ EBITA to expand at a slightly faster rate than net sales in percentage terms – calculated on the basis of the prior-year figure adjusted for exceptional items (€135 million). ■ General market conditions considered to be volatile and susceptible to crises. ■ However, Wincor Nixdorf is looking to pursue growth scenarios on the back of current trends. ■ Business opportunities emanating from digitization of sales channels at retail banks and in the retail industry as well as from sustained growth in emerging markets. ■ Suitable acquisitions may help to further strengthen Wincor Nixdorf's business.

Customer Focus. Efficiency. Reliability.

THE MAGAZINE
for the Annual Report of Wincor Nixdorf AG.
2013/2014

Cover picture: In their flagship branches and stores, banks and retail companies appeal to consumers' senses, differentiate themselves from the competition, and transform the store or branch visit into an experience. Thus for example a visit to a Parisian bank branch becomes a phenomenal art experience that brings the spirit of the bank to life.

Customer experience across all delivery channels.

Digital and personal – consumers prefer banks and retailers that can be both. But if you want to integrate the online and offline worlds, you need to grasp not only that the consumer world is changing radically, but how it is changing. In this magazine, Alastair Bruce, consultant for digital business projects and recently appointed CEO of Microsoft Germany, explains just how 'digital' retailers and banks will need to become.

Whereas customers used to determine the success or failure of a product or service in the bank branch or retail store, they now either go online to prepare their decisions to buy or begin transactions in one delivery channel – e. g. smartphone – before completing them in another – e. g. branch or store. What is more, they expect a seamless transition in customer experience when moving from one channel to another, which is why the offline and online worlds have to be equally easy and convenient as well as modern in design.

A prime example of easy-to-use offerings that enable personal, one-click service are the kind that Wincor Nixdorf has implemented together with UK-based Barclays Bank. Another is on show at NTUC FairPrice. This Singapore retailer has enhanced its customer experience by shifting employee capacity from the checkouts to the aisles, so as to provide customers with more direct consultation and service – a move made possible by self-checkout solutions from Wincor Nixdorf.

To survive in a highly competitive environment, you need to have your costs in check. Efficient hardware and software solutions that are designed to reduce complexity are the key to success here. Halkbank, a Turkish financial institution, is demonstrating how more and more products and services – 35 thus far and counting – can be transferred to automated self-service systems. Another example is MEGA MILLS in Shanghai, an outlet center at which a single software system controls all processes. That makes for transparency and is paving the way for more intensive use of the e-commerce channel. If you want to be successful internationally, you have to prove that you can be a reliable partner for your retailing and banking customers no matter where they are located. Wincor Nixdorf is demonstrating precisely this ability with its Indonesian customer Bank Mandiri. Together, the two partners are realizing the bank's vision of becoming the country's most respected and progressive financial institution. Meanwhile, in Europe, Wincor Nixdorf is helping its partner Total put in place uniform standards and processes for payment transactions.

Mr. Bruce – How digital do retailers and banks need to become?

Alastair Bruce, former CEO of Google Germany, consultant for digital business projects and recently appointed CEO of Microsoft Germany, can draw upon a wealth of experience when devising digital strategies for retailers and banks.

Will digitalization become the crucial competitive factor for banks?

AB It already has been for some time. PricewaterhouseCoopers has calculated that banks pursuing a consistent and comprehensive digital strategy will be able to cut their costs by up to 40 percent in the next five years. Comprehensive means not just with regard to transactions but to all service areas; in other words, also automating their loan, mortgage and investment business as far as possible. Digital latecomers will lose out – not only on the cost side but also to their competitors.

And also to digital newcomers with new business models?

AB Particularly in the USA and UK, where the regulations for financial institutions are more liberal, we are seeing the success of many very digitally oriented companies that originated outside the banking sector.

Do such companies have the potential to become more than just a marginal phenomenon in the overall market?

AB Yes, driven by the breathtaking growth in consumers' affinity for digital services. Various surveys and analyses show that, by 2020, roughly two-thirds of bank customers will, as a matter of course, be using all kinds of (mobile) online services.

What lessons must banks learn from these developments?

AB Digitalization will radically change the face of retail banking. The only option for banks is to embrace the technology. Investments are of only secondary importance here. The primary concern is to have the right vision and the right mindset. Digitalization is compelling retail banks to take a close look at their traditional way of thinking and their conventional business models. This cuts deep into business processes, communication and the entire corporate culture.

Can retail banks learn from retailers?

AB The retail sector had to face the digital shift before banks. There, e-commerce has long since become an independent delivery channel. Some online players such as Amazon and Zalando have even evolved into market giants. Conventional bricks-and-mortar retailers are aware that the digital shift is changing existing business models and giving rise to new ones. They know that those who take too long to revamp their business models will be among the losers.

How are retailers responding to these challenges?

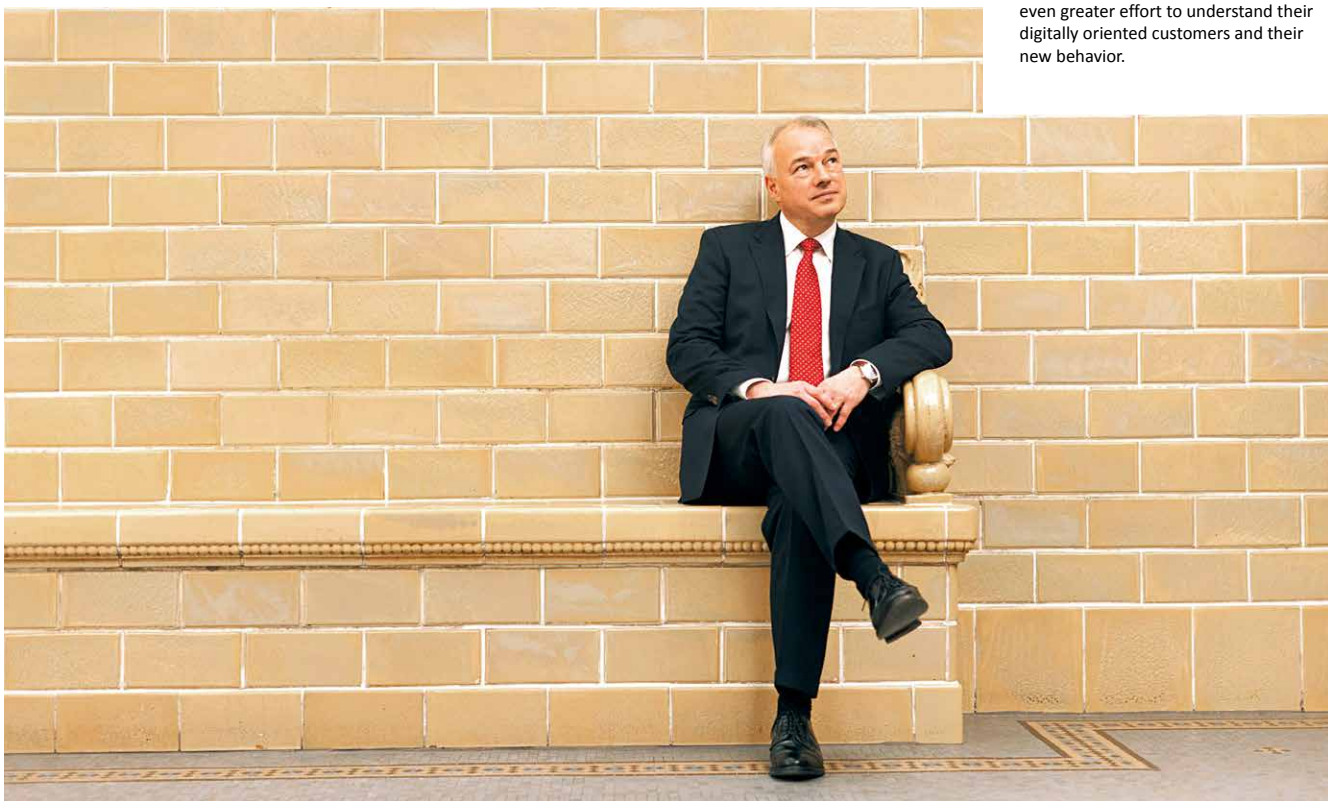
AB Bricks-and-mortar retailers are responding with multichannel approaches; that is, by integrating digital channels in their business models. The retail sector has made more progress in this process than the banking sector, and that's particularly true in countries like the USA, UK and Japan. Think of Walmart, the world's biggest retailer, for example. The company started collecting customer data and creating customer profiles very early on and is now using these findings in the shape of a variety of digital services that link the different channels.

What requirements do retailers and banks share?

AB The basic rule for both sectors is: understand the customer journey. Both retailers and bankers must now make an even greater effort to understand their digitally oriented customers and their new behavior. In retailing, the moment of truth used to come at the shelf. Now, customers tend to go online to prepare their decisions to buy – that's the zero moment of truth. That changes the requirements for customer care at the point of sale. Retailers need to orchestrate in-store shopping on a digital basis, and that also applies, in a similar way, to banking.

Alastair Bruce,
CEO of Microsoft Germany

Retailers and bankers must make an even greater effort to understand their digitally oriented customers and their new behavior.



Enhancing the customer experience.

Enhancing the customer experience.

↓

Shopping and banking are not just errands anymore; they're genuine experiences. And businesses that want to win customers, retain their loyalty and offer them 24/7 service must address this trend – with state-of-the-art branch or store design and modern technologies that are easy and simple for consumers to use. In the process, digital and stationary sales channels are slowly merging, and solutions that build bridges between bricks-and-mortar outlets and online worlds will make the difference in the long run.

BANKING

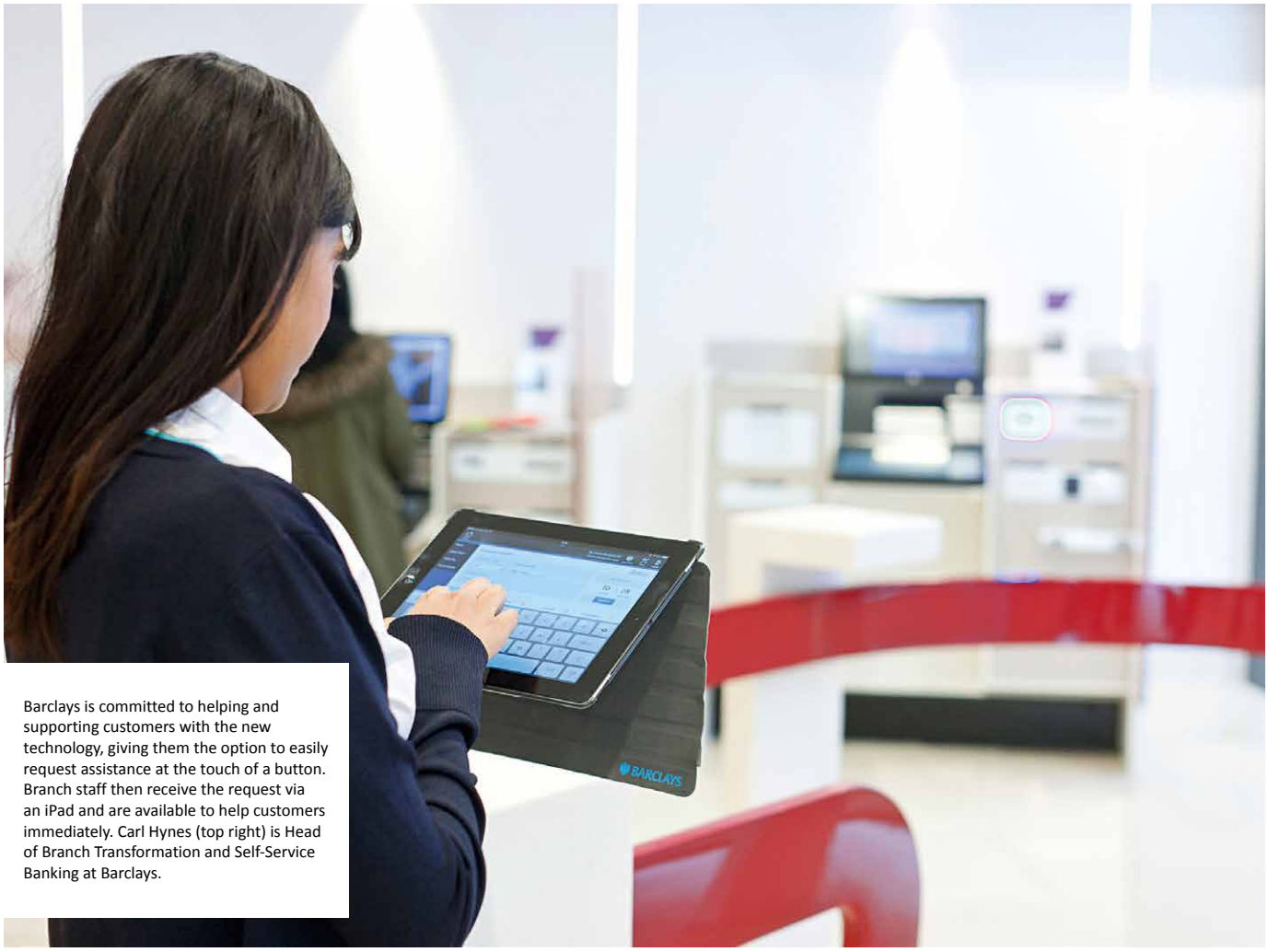
The innovation story continues.

→ 10

RETAIL

Singapore's leading retailer with a heart.

→ 12



Barclays is committed to helping and supporting customers with the new technology, giving them the option to easily request assistance at the touch of a button. Branch staff then receive the request via an iPad and are available to help customers immediately. Carl Hynes (top right) is Head of Branch Transformation and Self-Service Banking at Barclays.

Barclays: The innovation story continues.

Innovation has a long tradition at Barclays: Over the past 300 years, bright ideas and new technologies have always been driving factors behind the business growth of Barclays, which operates in more than 50 countries around the world. As the role of the branch evolves, Barclays wants to ensure first-class customer service through innovative new branch designs facilitated by best-of-breed technology. The Assisted Service Counter (ASC) was developed in partnership with Wincor Nixdorf and aims to offer customers the convenience and speed of multiple functions in one device.

As Barclays transforms its branches to adapt to evolving customer needs, it understands the need to offer more convenient, efficient banking supported by the branch staff. "What we're looking to achieve is easier, more essential banking for customers, still giving them the choice, and still providing them with human interaction," says Carl Hynes, Head of Branch Transformation and Self-Service Banking at Barclays.

Although the role of the branch is changing, customers still visit the branch to process cash and check transactions in addition to asking more complex customer queries. The goal of the new technology is to provide essential everyday banking transactions in a customer-friendly and efficient way via a single solution that integrates seamlessly into the overall concept of the modernized branches.

The ASC is a banking solution that combines sophisticated design with intuitive operation. It is based on Wincor Nixdorf's CINEO C4090 model. The system automates withdrawals and deposits of banknotes and coins, prints documents and accepts check deposits. Various features, such as a barcode reader and a NFC scanner, are integrated in order to easily deal with a wide range of transactions. Two 18.5-inch touchscreens positioned at different levels provide accessibility for all customers. For example, wheelchair users can approach the counter just like a desk and operate a low level screen.

Barclays is committed to helping and supporting customers with the new technology, giving them the option to request assistance at the touch of a button. Branch staff then receive the request via an iPad and are available to help customers immediately. In addition, branch staff are always on hand in the banking hall to provide support where needed. Development of this solution turned into an innovative software and professional services project for Wincor Nixdorf. This involved integrating iPads and designing user-friendly interfaces that complemented the look and feel of the bank's digital channels.

"We worked together in a very close partnership, building the technology from the ground up together with designers and hardware and software developers. We're delighted that we came up with a technology that meets our customers' expectations," says Carl Hynes. The staff play a key role in ensuring the success of new technology for both the bank and its customers. The ASC allows branch staff to be much more mobile, enabling them to offer one-to-one service to each customer. "As I see it, the traditional cashier role has evolved from just dealing with repetitive transactions, to having more in depth, stimulating discussions with customers," Carl Hynes states.

Barclays has already equipped 40 branches with around 200 ASCs and the rollout is still ongoing. Where this solution has been implemented, around 60 percent of counter transactions that could not previously be diverted to traditional self-service devices have already been migrated to the ASCs. Carl Hynes: "For us, that means greater efficiency and a much more sustainable model. But the most important thing is that we're delivering the right customer proposition and that customers are still coming to our branches."

Barclays is also trialing the ASCs at the new Barclays Essentials branches located in a number of ASDA stores. These devices offer customers banking services during the same opening hours as the ASDA store, which are often 24/7 – a customer-focused concept for banking at the customer's convenience.

60%

OF COUNTER TRANSACTIONS

that could not previously be diverted to traditional self-service devices have already been migrated to the

ASSISTED SERVICE COUNTERS.

NTUC FairPrice now operates their supermarkets in multiple retail formats, namely FairPrice supermarkets, FairPrice Finest, FairPrice Xtra, FairPrice Xpress and Cheers convenience stores.

NTUC FairPrice: Singapore's leading retailer with a heart.

Breezing past the checkout lanes.
NTUC FairPrice is a household name in Singapore and a place frequented regularly by many Singaporeans young and old. Established in 1973 by the labor movement during Singapore's nation building years with a social mission to moderate the cost of living, many have grown up with NTUC FairPrice, which has provided their families with affordable groceries and general merchandise.

NTUC FairPrice has grown from one single store to become Singapore's largest retailer with more than 280 outlets across the island, serving about 430,000 shoppers daily. Its supermarkets can be found in every neighborhood and almost every suburban shopping mall in Singapore. The organisation also owns a Fresh Food Distribution Center and a centralized warehousing and distribution company.

NTUC FairPrice has evolved to serve a population of diverse consumers with different interests and needs. The company now operates supermarkets in multiple retail formats: FairPrice supermarkets, FairPrice Finest, FairPrice Xtra, FairPrice Xpress and Cheers convenience stores.

ESTABLISHED IN
1973
by the labor movement during Singapore's nation building years with a social mission to moderate the cost of living,
MANY HAVE GROWN UP WITH NTUC FAIRPRICE.

SELF-CHECKOUT PAYMENT TERMINAL AT NTUC FAIRPRICE

- Reduced queue time
- Overcome labor shortage, increased productivity
- One attendant is responsible for 4–6 self-checkouts
- Staff role is enhanced to be more customer focused
- For staff more job satisfaction.

FIRST PILOT AT FAIRPRICE FINEST CLEMENTI MALL IN FOUR CHECKOUT LANES

Embracing technology to boost productivity in stores. To keep pace with the changing times and its multiple retail formats serving the varied needs and interests of people from all walks of life, NTUC FairPrice has turned to technology to bolster store efficiency and productivity. After studying automated checkout technology, the company chose Wincor Nixdorf's self-checkout payment terminal, making its first pilot at FairPrice Finest Clementi Mall in four checkout lanes. Aimed at improving productivity and customer service level of its stores, the self-checkout lanes enable shoppers to scan, pack and make payment seamlessly at one go and thus speed up the checkout process.

"The tight labor market is a constant challenge facing all retailers in Singapore. As Singapore's leading retailer, we are constantly looking for new and innovative ways to alleviate industry-wide retail challenges and ways to enhance customers' in-store shopping experience," says Bernard Chew, Chief Information Officer for NTUC FairPrice. "We see technology as a catalyst to drive higher productivity in the areas of processes, people and service in the stores. We have to think about how to maximize the use of our employees' time, while ensuring our customers a great shopping experience. The results and successes from the pilot scheme back then had given us the confidence to extend these systems to more stores."

The new technology brings a range of benefits to NTUC FairPrice, its employees and customers. Improved productivity enables the company to better deploy resources and improve service as manpower is optimized and staff can focus on serving customers. Instead of staffing four cashiers at four conventional point-of-sale machines, only one service staff member is required to man the four to six self-checkout counters. Besides optimizing manpower, this approach overcomes the retailer's challenge of attracting and recruiting workers for frontline positions like cashiers. In adopting this self-checkout concept, NTUC FairPrice has redefined the role of its staff from one that

430,000
SHOPPERS DAILY
NTUC FairPrice is Singapore's largest retailer
WITH MORE THAN 280 OUTLETS ACROSS THE ISLAND.

Keeping pace with changing times and with its multiple retail formats serving the varied needs and interests of people from all walks of life, NTUC FairPrice has turned to advanced IT to bolster the efficiency and productivity in their stores.

is operational to one that is more service-oriented and customer-focused. Training is also provided to employees who will man the self-checkout lanes.

Currently, more than 70 units of Tower Line 150 self-checkouts are deployed to its 16 stores, and on the average, stores with self-checkouts have increased cashiering productivity by 20 percent, according to FairPrice. The self-checkout system has also improved customer service as it leads to shorter queues.

Customers Receptive to New Technology. For customers, the self-checkout system provides more convenience with faster and more efficient service. It enables customers to independently scan and pack their purchases, and pay seamlessly. This provides more convenience to the customers with shorter waiting time in queues for basket-filled items. The self-checkout counters also increase the number of available payment counters at the store, which in turn, shorten queues especially during peak hours and weekends when stores are especially crowded. Bernard Chew adds: "The system has shortened the overall waiting time for all customers and improved service levels. Now, staff members are also able to focus on helping customers and have more interaction with them. I believe this will help to keep our customers happy and satisfied."

During the initial launch of the new system, NTUC FairPrice promoted the three easy steps – scan, pay and pack – in the form of video guides and self-help handouts for customers to familiarize themselves with the new checkout system, and also conducted a survey on customers' reactions and feedback. "This is to better understand customers' response to the self-checkout system and automated cash handling, which in turn allows us to further fine-tune the processes and enhance customers' shopping experience at our stores," says Bernard Chew. Since the launch, customers have become more receptive to the self-checkout concept and the benefits the technology offers. NTUC FairPrice's strategy is to provide customers with the best value, quality products and excellent service, aiming to be customer-focused and to be the best place to shop for all citizens.

"We decided to partner with Wincor Nixdorf this long because we wanted a partner with global operations and good understanding of our needs, who at the same time, has a recognized track record for managing self-checkout deployments," says Bernard Chew. "Wincor has been our retail POS solutions partner since 2001 and we see benefits in having a self-checkout system that is natively integrated into the existing POS system. We have further plans to implement more self-service checkouts in our branches."

70

UNITS OF TOWER LINE 150 SCOS
are deployed to 16 stores.

"We decided to partner with Wincor Nixdorf this long because we wanted a partner with global operations and good understanding of our needs, who at the same time, has a recognized track record for managing self-checkout deployments,"

SAYS MR BERNARD CHEW LAI WAN, CHIEF INFORMATION OFFICER FOR NTUC FAIRPRICE.

20%

AVERAGE INCREASED CASHIERING PRODUCTIVITY,
in stores with SCO according to Fairprice.

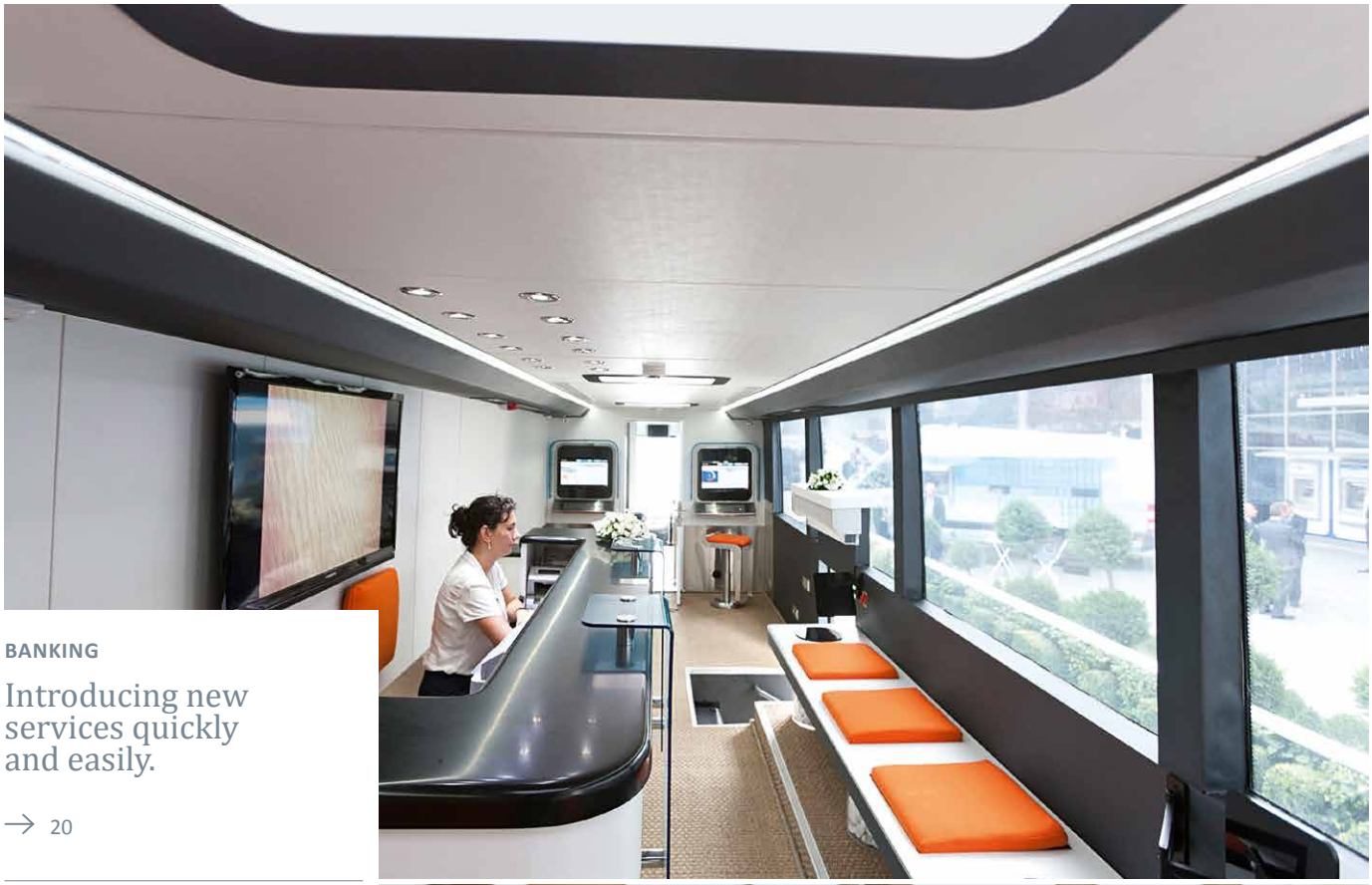
Effectively designed processes.


HALKBANK
Üreten Türkiye'nin Bankası
06 DS 6365

Effectively designed processes.

↓

Efficient, highly available IT systems are decisive for banks and retail companies that want to prevail in the fierce competition for customers. Just as important as smoothly running operations is the ability to make new offers available to consumers quickly. Software that can be extended flexibly enables the fast, uncomplicated provision of new functions and services, and helps businesses improve customer service and make the most of new business opportunities.



BANKING

Introducing new services quickly and easily.

→ 20

RETAIL

Efficient process management at outlet center in Shanghai.

→ 22

Öngen Akin, Head of Channel Management and Hasan Ünal, Executive Vice President Retail Banking. Halkbank offers its customers approximately 35 functions at the ATM – and the number is increasing.

Halkbank: Introducing new services quickly and easily.

For Halkbank, efficient processing of standard transactions is of crucial importance. "Over half of all our transactions are processed using our network of 3,000 ATMs," says Öngen Akin, Head of Channel Management at what is Turkey's leading state-owned bank. The bank offers its customers around 35 different functions – from cash withdrawals to invoice payments – via its ATM network. That makes these self-service systems a highly frequented service channel and the bank's most important customer contact point. Internet banking comes a distant second, accounting for 23 percent of all transactions, while 14 percent of transactions are dealt with via the third most popular channel – the branch.

This explains why Halkbank is so demanding when it comes to the availability of its ATM network and to the speed and ease with which new services can be offered on its systems. In recent years, the bank has shifted a range of functions to its self-service systems, including envelope-free cash deposits or audio-enabled ATMs for the blind and visually challenged. "As the bank with the largest ATM estate in Turkey, we require not just a hardware supplier, but a partner like Wincor Nixdorf with services and software know-how," explains Hasan Ünal, Executive Vice President Retail Banking at Halkbank.

Nine out of ten ATMs in the bank's network are from Wincor Nixdorf. Last year, the bank began rolling out CINEO systems equipped with coin-processing modules. "We were won over by the options offered by the new cassette technology for automating cash processes and by the security features," says Akin. The coin units enable customers to pay bills, especially those from state authorities, in cash on the ATM.

When Halkbank opted last year to integrate systems from a second provider in its network, it chose Wincor Nixdorf's multi-vendor software. As Öngen Akin recalls: "Our goal was to integrate the other vendor's systems into our network quickly. With Wincor Nixdorf's software, the project time required to achieve this was shorter than with other solutions. Flexibility in development and lower development costs were further arguments in favor of the software."

A joint team of bank and Wincor Nixdorf employees is currently working on a project to optimize the ATM user interface. One of the bank's requirements is to enlarge the customer panel so that it is easier for older users to read. To this end, the bank is implementing Wincor Nixdorf's ProFlex software, which allows banks to customize the user interfaces and services of their self-service systems and thus free themselves from the download limitations imposed by their switch operators. Initial pilots have been a success, and the project should be completed by the end of the first quarter of 2015. One of the pleasant side effects of deploying ProFlex is to reduce communication between the individual ATMs and the central computer, which in turn cuts the bank's network costs. Further software projects promise the bank even more benefits. Halkbank already uses Wincor Nixdorf's ATM Management software to distribute software updates to its ATMs. In the future, this same software is also to be used for constant monitoring of all the systems in the network with the aim of enhancing availability – and customer satisfaction – even further.

To further enhance customer satisfaction, Halkbank is accommodating its customers' needs with three mobile branches. A bank that provides its services nationwide needs to keep on providing its services even after natural disasters like earthquakes or flooding, which is the idea behind the branches on wheels. When the buses, with their innovative design, first set out at the start of the year on a journey to customers around Turkey and northern Cyprus, the bank received a lot of positive feedback. These satellite-linked, network-integrated branches on wheels are equipped not only with a counter, a consultation zone, iPads and kiosk systems for Internet banking, but also – of course – with ATMs.

35 DIFFERENT FUNCTIONS

The bank offers its customers around 35 different functions – from cash withdrawals to invoice payments – **VIA ITS ATM NETWORK.**

David Ng, General Manager at MEGA MILLS: “Just being here should be a special experience for our customers.”

MEGA MILLS: Efficient process management at outlet center in Shanghai.

When it opened in 2013, MEGA MILLS had big plans and a clear objective: "Just being here should be a special experience for our customers," says General Manager David Ng.

MEGA MILLS offers a broad range of goods and services, with more than 180 international luxury brands, free parking for up to 3,000 cars, a playground, restaurants, cafés, and a food court as well as a movie theater and other entertainment. There are also plans to cooperate with local hotels "to enable our customers to spend several days here, for instance over the weekend," says Ng.

No concessions on quality. The development of MEGA MILLS around six years ago by Pearl River Investment Group, one of China's leading real estate developers, gave the entire outlet segment a boost. Outlet centers are still rare in China compared with shopping malls. A special range of goods and services is needed to attract shoppers – and yet, as Ng points out, luxury brands have been reluctant to participate in Chinese outlets for fear their images will be downgraded by a "cheap" atmosphere. Fortunately, MEGA MILLS' strategy defies that stereotype: a high-quality environment, good infrastructure, free parking, and a highly varied range of goods and services. As Ng says, "We believe the combination of quality brands with entertainment options and a wide variety of catering choices is exactly the right mix."

Integrated POS systems. A core element of that strategy is to ensure that all the stores and other operators in the center are equipped with the same POS systems and process management software. This approach makes for better, more efficient processes – both for the center management and the individual stores, as Ng explains. For one thing, it's easy to gather data and information first-hand: for example, the individual stores' monthly rent depends on their sales, thus the corresponding figures are captured automatically and transferred to the center's headquarters. The system also functions as a control tool for checking whether the stores' invoicing is correct, and can be used to generate comprehensive reports. Second, it provides the store operators with additional services. For example, in the future it will be deployed to launch and expand the center's loyalty program. MEGA MILLS is now also testing an online-to-offline strategy to expand its share of the e-commerce segment. One idea is an online platform as a kind of prepaid model, enabling customers to purchase coupons online and exchange them for products at the center. Another is the use of QR codes for certain online products. In this regard, talks are underway with both Wincor Nixdorf and Alibaba, China's biggest online retailer. "Mobile Internet and e-commerce are big trends in China now – and are definitely 'on the radar' for MEGA MILLS," says Ng.

60,000 m²

SURFACE AREA

of which roughly 3,250 m² is accounted for by the Grand Gourmet Food Court

OPENED JANUARY 18, 2013.

"We wanted a partner with both global operations and local services."

SAYS GENERAL MANAGER DAVID NG.

One-stop processing. MEGA MILLS and Wincor Nixdorf have worked together since 2012, with Wincor Nixdorf serving as system integrator, delivering software to MEGA MILLS headquarters and the stores, and providing BEETLE POS systems and IDC server hardware. When asked why the center chose the Paderborn-based IT provider, Ng said, "We wanted a partner with both global operations and local services, one with a deep understanding of our needs. Wincor Nixdorf offered all that and, with its Professional Services package, was also able to meet our requirements for the food court: the consolidation of the food vendors' sales data before it is transferred to MEGA MILLS' management." As with the customer's other requirements, Wincor Nixdorf delivered the best possible solution for sales data consolidation, one that more than satisfied the center operators.

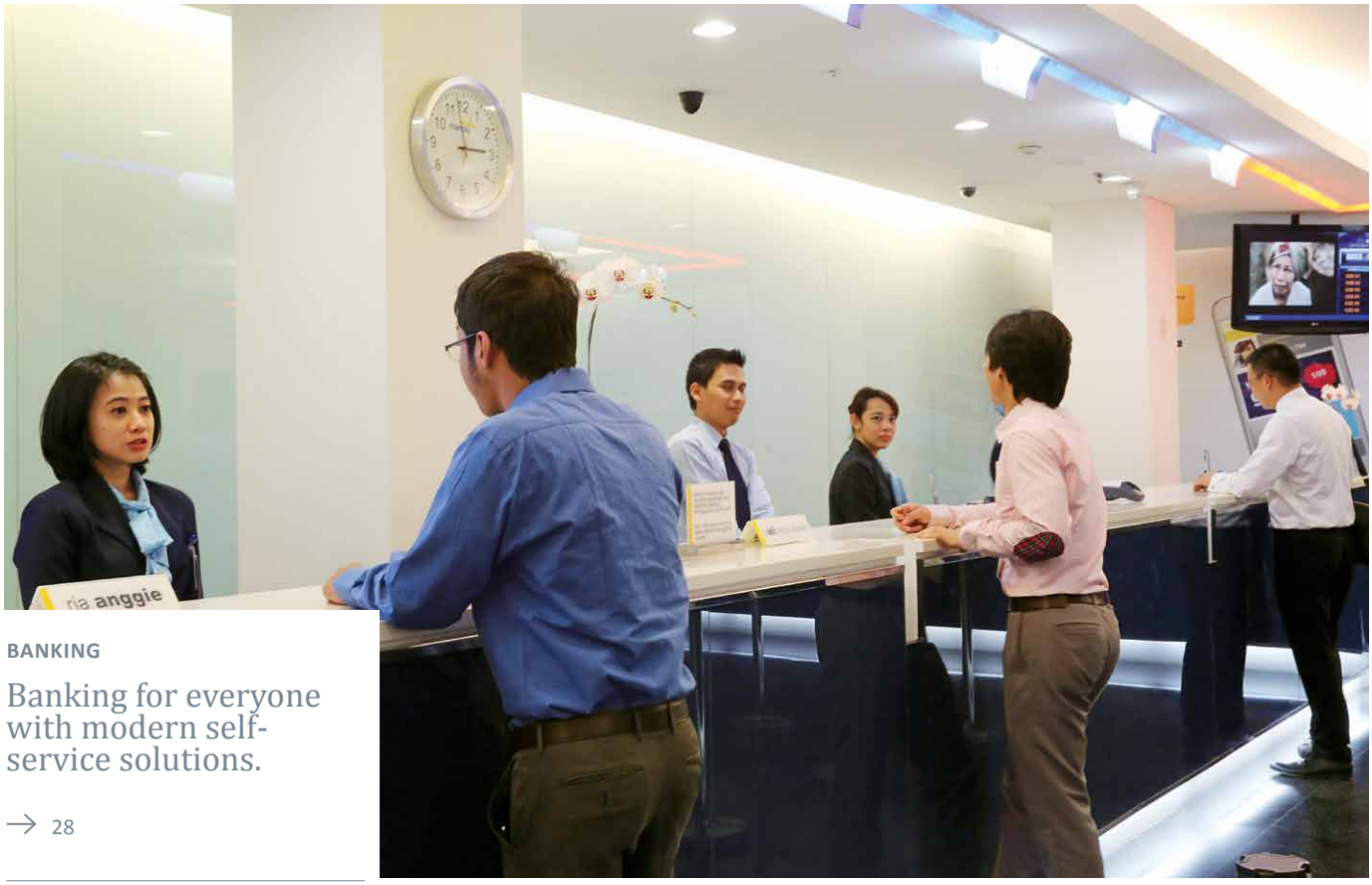
These are just some of the reasons MEGA MILLS intends to apply the integrated model in future projects – hand in hand with Wincor Nixdorf, as David Ng confirms. He sees a bright future for outlet centers in China, with studies showing that as many as 150 will be built in the coming years. It's a trend that MEGA MILLS' investors plan to tap by opening two to three more outlet centers over the next couple of years.

Delivering the best service – everywhere.

Delivering the best service – everywhere.

↓

Banks and retail companies expect high-quality IT solutions that are available around the world and reliable IT partners who will support them as they expand in their markets. For multinational companies in particular, IT standardization is a decisive factor in their success, because it reduces costs and complexity.



BANKING

Banking for everyone with modern self-service solutions.

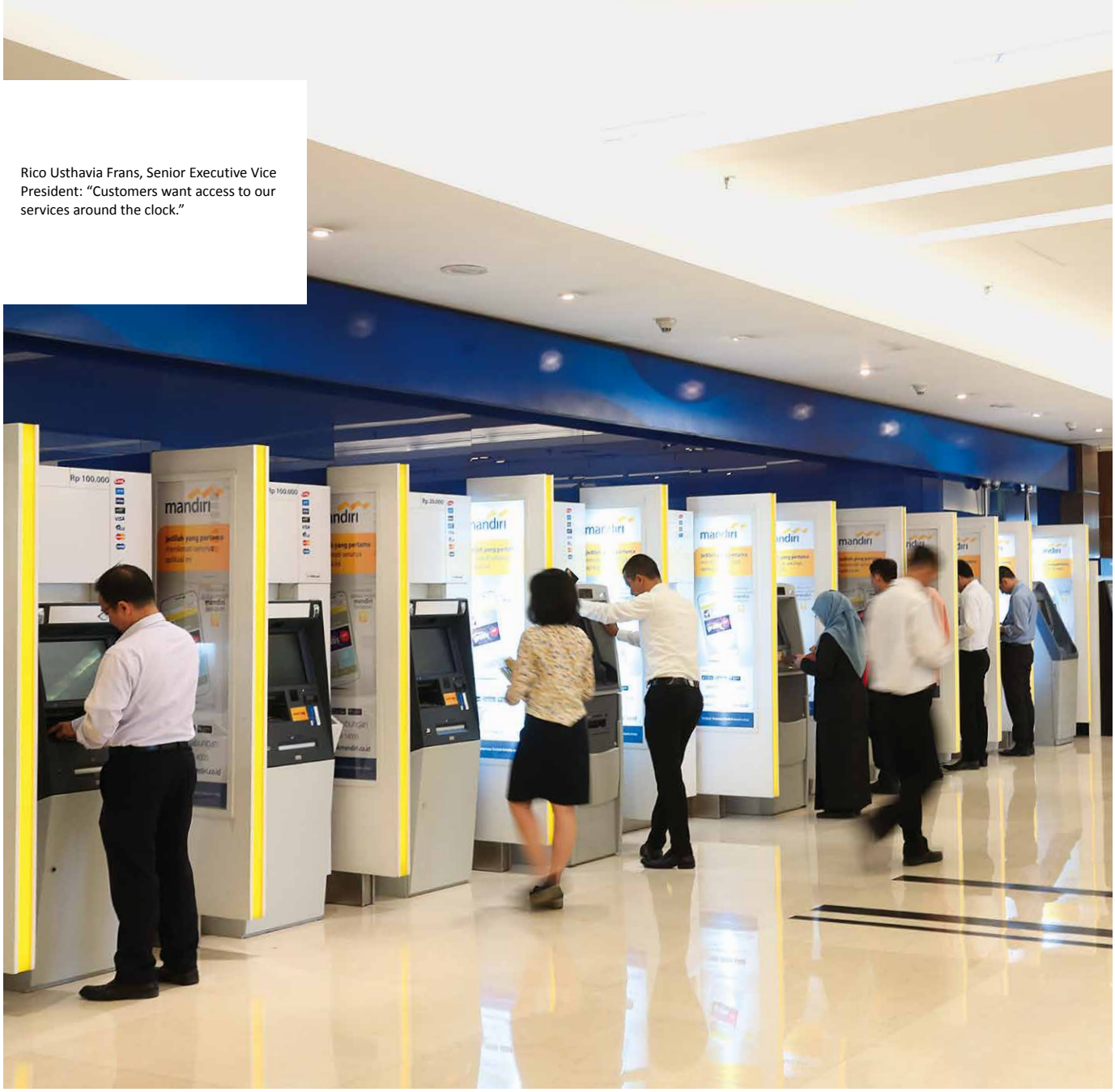
→ 28

RETAIL

Making seamless payments simple.

→ 30

Rico Usthavia Frans, Senior Executive Vice President: "Customers want access to our services around the clock."



Bank Mandiri: Banking for everyone with modern self-service solutions.

PT Bank Mandiri (Persero) Tbk. has a vision. It wants to become Indonesia's most respected and progressive financial institution, offering all the country's citizens the very best of service no matter where they live. One of the ways in which Bank Mandiri, a leading financial institution in Indonesia, plans to achieve this goal is by expanding its leadership in the field of bulk transactions. Going forward, it intends to offer financial transaction solutions on a broad scale, as Senior Executive Vice President Mr. Rico Usthavia Frans, head of Transaction Banking, emphasizes: "As a state-owned bank, we feel an obligation to achieve the broadest possible coverage." It is an obligation that Bank Mandiri has transformed into a pledge, its declared objective being to make a contribution toward the prosperity of the entire country.

One of the most important tools in achieving this objective is the self-service channel. Up to 90 percent of all transactions are already carried out via the self-service and e-channels, and the figure is still rising. Every year, the transaction volume in these channels grows by as much as 26 percent, a figure that is prompting the bank to continue investing in this area. For example, the bank is constantly expanding its branch network, with the number of branches rising from 1,810 to 2,050 in the period 2012–2013 alone. Simultaneously, the bank has grown its ATM network in period 2010–2014 from just around 6,496 to more than 13,000 today. As Rico points out, this growth phase is set to continue. Over the next two years, as many as 2,500–3,000 devices per annum will be added to the network so that the bank can live up to its promise of comprehensive coverage.

Wincor Nixdorf, which already has a share of around 60 percent in Bank Mandiri's ATM estate, is the bank's key partner here. The majority of the 7,300 systems from Wincor Nixdorf – including the most recent order for 1,900 devices – are ProCash 280 units, which the bank prizes for their exceptional robustness and, in particular, high availability: "Our customers want to be able to make use of our services around the clock," says Rico, and the bank will be offering even more of these services soon. For instance, cash dispensing is to be supplemented by functions such as paying bills or topping up prepaid cards. What is more, the bank plans to transform its self-service channel into a communication channel and marketing platform. "From the point of view of customer relations, the several million people that use our ATMs every year are a veritable gold mine," says Rico. The moment a customer logs into a self-service device, he says, the bank knows so much about them that they can be addressed in a targeted and tailored manner.

Bank Mandiri intends to make greater use of these and other options in future in an effort to hone its competitive profile and, at the same time, strengthen its reputation as a dynamic and innovative financial institution. This is where the bank is relying on Wincor Nixdorf, which it considers to be an important and reliable partner for expanding its network of terminals and implementing new functions. "We are more than satisfied, both in terms of quality and the price-performance ratio," says Rico in praise of Wincor Nixdorf, a company he intends to stick with going forward. Even though mobile and Internet banking are experiencing a boom in Indonesia, that will not lessen the importance of the ATM network. Rico is certain that ATMs will remain the main source of cash for quite some time to come, and he considers expansion of the self-service network to be an investment in the future – not just for his bank, but also for the some 248 million inhabitants of Indonesia, of whom only one in four currently have a bank account. By gradually granting this huge unbanked section of the population access to banking services through its self-service terminals, Bank Mandiri wants to help boost the prosperity of the country as a whole.

90%

OF ALL TRANSACTIONS
are already carried out via the self-service and e-channels
AND THE FIGURE IS STILL RISING.

13,000

ATMs
To this number the bank has grown its ATM network
AND IT'S STILL GROWING.

François Mezzina is Payment and Terminal Manager for Europe Cards Operations and NEFTIS Program Manager at Total.

Total: Making seamless payments simple.

Under the NEFTIS project, Total Marketing & Services is currently implementing Wincor Nixdorf's new *i*-payment solution in its fuel station network in Europe. The flexible advanced software solution plays a key role in the French multinational oil and gas company's pioneering efforts to centrally link different payment means, financial service providers, and end devices to improve the services provided to customers.

Total began deploying the new payment system in France in 2014. Germany, Belgium, the Netherlands and Luxembourg will follow shortly.

About the solution. *i*-payment solution is a multivendor, cross-border, payment-hosted server platform. Its software is designed to interact between the central server and all the various terminals as well as card and contactless services they support. The solution supports two major international payment standards: Electronic Protocol Application Software (EPAS) and International Forecourt Standards Forum (IFSF). It also complies with all major banking regulations and security card standards, including Europay, MasterCard and Visa (EMV) and Payment Card Industry Point of Sale (PCI-POS).

About Total. As one of the world's five major oil companies, Total operates more than 15,000 service stations in 130 countries, of which nearly 10,000 are located in Europe. The company has 12,000 points of sale (indoor and outdoor payment terminals) and 5,000 outdoor payment terminals from different vendors. As a result, Total processes hundreds of millions of transactions per year and increasingly, these transactions are being enabled through new contactless technologies such as smartphone apps, nearfield communications, and QR codes.

MORE THAN
15,000
SERVICE STATIONS
in 130 countries, of which nearly 10,000 are located in Europe.

THE COMPANY OPERATES
12,000
POINTS OF SALE
and 5,000 outdoor payment terminals from different vendors.

REPORT ON FISCAL YEAR 2013/2014

WINCOR NIXDORF

EXPERIENCE MEETS VISION.

CONTENTS.

Cross reference within the Annual Report

Link to Internet

Ladies and Gentlemen,

The fiscal year just ended brought unforeseen challenges for Wincor Nixdorf. Having put the Company back on track for growth in the preceding year by fine-tuning key areas, we were unable to achieve the level of growth originally targeted for the annual period under review. In this context, we had to contend in particular with the adverse effects of foreign exchange movements in the emerging markets over the course of fiscal 2013/2014, in addition to being faced with difficult economic conditions in Russia, Ukraine, and Turkey. These developments were well outside the scope of what we had originally anticipated. Indeed, they hit us in an area considered to be of particular importance to our prospects of growth: business expansion within the emerging markets.

Despite this, however, we did manage to bring further stability to our business and generate forward momentum in key areas. This is reflected in our primary financial indicators: net sales at Group level were comparable to the figure recorded a year ago. Additionally, we succeeded in meeting our original EBITA target of €155 million. The latter, however, was boosted to some extent by the positive effects of exceptional income of €20 million from the sale of our former production facility in Singapore.

As this also led to a marked improvement in our annual profit for fiscal 2013/2014, we are in a position to raise the dividend paid to shareholders. The proposal submitted to the Annual General Meeting is for a dividend of €1.75 per share, which is up 18% on the figure paid out in the previous fiscal year (€1.48 per share).

On balance, developments relating to foreign exchange rates and economic conditions in the emerging markets in particular, including those in Europe, impacted Group net sales by about 5%. As a result, we also fell short of our targeted revenue share of 30% to be achieved in the emerging countries. As crisis-hit Russia, Ukraine, and Turkey are three key countries in our home market of Europe, we were faced with a 6% loss in net sales in this region (excluding Germany).

This, however, should not detract from our progress made in key areas of the business. The regions encompassing Asia/Pacific and the Americas, for example, produced tangible growth for Wincor Nixdorf. In Germany, too, we saw an encouraging expansion in our business. Our Software/Services business, which is an area that is becoming increasingly important to the Company from a strategic perspective, produced visible growth. This allowed us to offset the downturn in net sales from our Hardware business, fueled in particular by the adverse effects of developments in the emerging markets outlined above.

These initial accomplishments bear testimony to the fundamental success of our strategic restructuring measures introduced within the Company. Furthermore, they serve as confirmation that we are on the right track as regards the targeted changes made to our business in line with our growth strategy. In this context, suitable acquisitions may also be considered in support of our efforts.

Our agenda for growth continues to include the objective of business expansion within the emerging markets. Despite this region being impacted by a temporary loss in forward momentum, demographic trends alone would appear to suggest that demand and growth will persist over the long term.

At the same time, Europe continues to be our largest and most important market. It goes without saying that a return to economic stability in this region at some point in the future would be desirable. Irrespective of this, our aim is to underpin our initial progress made with regard to specific business activities.

We intend to pursue the trends in this region and other developed markets by offering high-end automation solutions and expanding our Software and Professional Services business. Similarly, we are committed to driving forward with our Managed Services and Outsourcing portfolio, in addition to cementing our position in the area of mobile and cashless payment solutions.

The markets as a whole offer significant opportunities for our Company. Exposed to considerable competitive and cost-related pressures, and faced with tangible challenges associated with the growing trend towards digitization, retail banks and retailers are having to embrace change in an increasingly dynamic environment. Our Company is already helping to shape these changes as an acknowledged player within the market.

Key examples, as outlined in the magazine section of this annual report, include strategies in support of branch restructuring within the banking industry as well as measures aimed at stepping up process automation. Additionally, both banks and retailers around the globe are driving forward omni-channel concepts that bring together different sales channels, such as the internet, mobile and smartphone applications, and branch or store structures. We are able to support these developments in particular by offering specialist software solutions – a field in which we see good potential for further growth.

However, in the short term – and this is an aspect we have outlined quite clearly in our forecast for the current 2014/2015 fiscal year – we consider the economic climate to be highly volatile. From our perspective, the prevailing geopolitical tensions as well as the further slowdown recently seen in Europe's economic recovery will have to be monitored closely in order to determine how they might develop.

In spite of this, we see a well-founded basis from which to develop further growth scenarios. With this in mind, we anticipate a moderate year-on-year expansion of net sales for the current fiscal year.

At the same time, we are targeting an increase in EBITA: taking adjusted operating profit for the fiscal year just ended (€135 million) as a starting point, we aim to achieve a percentage increase in EBITA slightly above that of net sales.

Our continued success in taking our business forward is dependent on the close and trusting relationships established with our customers and business partners. I would like to take this opportunity, also on behalf of the entire management team, to thank them for their ongoing support. At the same time, allow me to express our gratitude to you, our shareholders, for the trust placed in Wincor Nixdorf.

As for the coming year, we will remain focused on pursuing the route charted in all areas of our business – with a strong determination to achieve our goals and meet your expectations.

Sincerely yours,

Eckard Heidloff

Reinhard Rabenstein

Senior Vice President, CTO

- Born 1954.
- Joined Nixdorf in 1980.
- Since October 2005 Member of the Executive Board and Chief Technology Officer.

Dr. Ulrich Näher

Senior Vice President, Research and Development

- Born 1965.
- At Wincor Nixdorf from January 2015; Member of the Executive Board; responsible for Research and Development.

Thomas Fell

Senior Vice President, Retail

- Born 1968.
- Joined Wincor Nixdorf in November 2010 and since then Member of the Executive Board; responsible for the Retail business.

Jens Bohlen

Member of the Board of Directors

Executive Vice President

- Born 1962.
- Joined Wincor Nixdorf in November 2006; since then Member of the Executive Board.
- Since January 2013 Member of the Board of Directors; responsible for Banking business.

Olaf Heyden

Member of the Board of Directors

Executive Vice President

- Born 1963.
- Joined the Company in May 2013 and since then Member of the Board of Directors; responsible for IT-Services business with banks and retailers.

Dr. Jürgen Wunram
Deputy CEO & President

Executive Vice President, CFO, COO

- Born 1958.
- Joined the Company in March 2007 and since then Member of the Board of Directors.
- Since January 2013 Deputy CEO.

Eckard Heidloff
President & Chief Executive Officer

President & CEO

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

Khoon Hong Lim

Senior Vice President, Region Asia-Pacific

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

Javier López-Bartolomé

Senior Vice President, Region Americas

- Born 1959.
- Joined the Company in 1997.
- Member of the Executive Board since 1999; responsible for the Group business in the Americas.

Rainer Pfeil

Senior Vice President, Human Resources

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

Ladies and Gentlemen,

The fiscal year under review proved to be unexpectedly demanding for Wincor Nixdorf. Looking back, market conditions as a whole were more challenging than anticipated for the Group, as a result of which the growth targets set by Wincor Nixdorf were only met in part. At the same time, however, it should be noted that the Company faced the aforementioned challenges in a manner considered acceptable and appropriate.

In this context, business performance was influenced primarily by a loss in forward momentum within the economies of the emerging markets. These adverse effects were particularly severe in the emerging economies of Europe. In Russia, Ukraine, and Turkey, for instance, the Group had to contend with a significant downturn in business compared with the previous fiscal year.

In other regions, meanwhile, the Company made its first important advances with efforts implemented for the purpose of realigning its activities. In North America, for example, business was more buoyant than in the preceding year, and sales in the emerging countries of the Asia/Pacific region as well as Latin America were also expanded. Additionally, the Group succeeded in generating moderate growth within the increasingly important area of Software/Services.

The Work of the Supervisory Board. In the fiscal year under review the Supervisory Board of Wincor Nixdorf AG discharged its duties in accordance with statutory requirements, the German Corporate Governance Code, and the Company's Articles of Association. First and foremost, this task involved advising and monitoring the Board of Directors on a regular basis with regard to the strategic positioning and management of the Company. This collaboration was characterized by the fact that all decisions of fundamental importance to Wincor Nixdorf AG and its Group companies were agreed directly with the Supervisory Board. Receiving comprehensive information on a regular and timely basis in the form of verbal and written reports, the Supervisory Board was instructed by the Board of Directors on all material issues relating to the corporate planning, strategic direction and development, business performance, and state of

the Group, including risks and risk management. All business matters of importance to the Company were discussed by the Supervisory Board on the basis of reports furnished by the Board of Directors.

In fiscal 2013/2014, six scheduled Supervisory Board meetings were held, at which the Board of Directors informed the Supervisory Board about the Company's situation and performance. In addition to these scheduled meetings, held on November 25, 2013, as well as on January 19, January 20, April 28, July 23, and September 24, 2014, the Supervisory Board held one extraordinary meeting. The sole object of the extraordinary meeting convened on November 8, 2013, was to discuss the preliminary figures of the Company's annual financial statements and the outlook for fiscal 2013/2014 prior to the annual press conference scheduled for November 11.

The average attendance at the Supervisory Board meetings was 98.8%. No committee member took part in less than half of the meetings. All meetings were attended by representatives of the Board of Directors. At the aforementioned meetings, all necessary resolutions were passed on the basis of documentation prepared in advance. Between each meeting convened by the Supervisory Board, the Board of Directors informed the Supervisory Board promptly and comprehensively about the current state of business as well as important events and decisions of particular significance in assessing the position and performance as well as the overall management of the Company.

At its meeting on September 24, 2014, the Supervisory Board conducted a self-assessment in order to examine the efficiency of its activities.

Key Areas of Deliberation by the Supervisory Board. At its individual meetings, the Supervisory Board regularly examined the business, net sales, and earnings performance of the Group and its segments, as well as cash flows, implementation of the strategic focus, and HR development.

In addition, it discussed proposals to approve the issuance of share options to members of the Board of Directors and employees (2014 tranche).

At its meeting on September 24, 2014, the Supervisory Board gave its approval to the fiscal 2014/2015 budget proposed by the Board of Directors and to the medium-term strategic business development plan. Additionally, the Supervisory Board drew up objectives in relation to its own composition and the current state of implementation. Details relating to these topics can be found in the Corporate Governance Report published on the website of Wincor Nixdorf.

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

With the exception of the Audit Committee, which is chaired by Supervisory Board member Prof. Dr. Edgar Ernst, the committees are presided over by the Chairman of the Supervisory Board.

The Audit Committee convened on two occasions during the fiscal year under review. The main focus of its work was on examining the annual accounts and consolidated financial statements of Wincor Nixdorf AG. Other issues addressed were the Company's risk report and risk management policy, reporting by Internal Audit, and the status and further expansion of the Compliance Management System.

During the year under review, the Personnel Committee met on one occasion (September 24, 2014) to prepare for an assessment of the compensation structure and to submit a recommendation to the Supervisory Board for the purpose of determining whether the compensation payable to the individual members of the Board of Directors was appropriate.

The Nominations Committee also convened on September 24, 2014, to pre-discuss selection criteria – on the basis of the objectives of the Supervisory Board concerning its composition – for a proposal to be submitted by the Supervisory Board to the Annual General Meeting in January 2015 in respect of the election of two shareholder representatives to the Supervisory Board at that point in time.

The Mediation Committee did not have to be convened during the fiscal year just ended.

Corporate Governance and Declaration of Conformity. In accordance with Section 3.10 of the German Corporate Governance Code, a separate report has been compiled in which the Board of Directors – also on behalf of the Supervisory Board – outlines details relating to corporate governance at Wincor Nixdorf; this report has been published on the Company's website. On November 25, 2014, the Board of Directors and the Supervisory Board issued an updated Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) and made the declaration, along with details of non-compliance, permanently available to shareholders on the Company website. [1]

[1]
www.wincor-nixdorf.com

Approval of the Annual Accounts and Adoption of the Group Financial Statements. On January 20, 2014, the Annual General Meeting appointed the accountancy firm KPMG AG Wirtschaftsprüfungsgesellschaft, Bielefeld, as auditor of the accounts. The Group financial statements for the fiscal year 2013/2014, prepared in accordance with IFRS under the provisions of Section 315 a of the German Commercial Code (Handelsgesetzbuch – HGB), including a Group management report, have been audited by KPMG and given an unqualified audit opinion. This also applies to the separate annual accounts and management report of Wincor Nixdorf AG for the fiscal year 2013/2014, which were prepared on the basis of German accounting regulations.

The documentation pertaining to the financial statements, the Board of Directors' proposal for the appropriation of profit, and the auditor's reports were submitted to the Audit Committee and the Supervisory Board in good time prior to the meeting. The information was examined in detail by the Audit Committee and subsequently by the full Supervisory Board, and discussed in the presence of the auditor, who was on hand to take questions and provide further information. Following its own examination of the Group financial statements and the Group management report, as well as the separate annual accounts and management report of Wincor Nixdorf AG, the Supervisory Board took the view that it did not wish to make any objections. Consequently, at its meeting on November 25, 2014, in line with the recommendation of its Audit Committee, the Supervisory Board concurred with the result of the audit and approved the financial statements and management reports drawn up by the Board of Directors. The annual financial statements of Wincor Nixdorf AG were thus formally adopted.

The Supervisory Board also discussed the proposal for the appropriation of profit and the dividend policy with the Board of Directors. With due regard for the Company's solid financial situation, and the expectations of both shareholders and the capital markets, the Supervisory Board gave its unqualified approval to the proposal of the Board of Directors.

The Supervisory Board determined its proposed resolutions for the agenda of the Company's Annual General Meeting to be held on January 19, 2015, and approved this Supervisory Board report.

Composition of the Supervisory Board. In accordance with Section 7 of the Company's Articles of Association, the Supervisory Board consists of six shareholder representatives and six employee representatives. No conflicts of interest occurred within the Supervisory Board during the period under review. The terms of office of the six employee representatives and of Hans-Ulrich Holdenried, as well as term of office of the signatory of this document, are due to expire at the end of the Annual General Meeting responsible for adopting a motion on the approval of their actions for fiscal 2014/2015. The term of office of Prof. Dr. Edgar Ernst continues until the end of the Annual General Meeting re-

sponsible for approving the actions of the members of the Supervisory Board for fiscal 2015/2016. The terms of office of Ms. Zvezdana Seeger and Prof. Dr. Achim Bachem continue until the end of the Annual General Meeting responsible for approving the actions of the members of the Supervisory Board for fiscal 2016/2017. The term of office of Dr. Dieter Düsedau is due to end at the Annual General Meeting responsible for resolving a motion on the approval of his actions for the fiscal year 2017/2018.

We are confident that the Board of Directors, building on the encouraging progress already made, will succeed in pursuing its corporate restructuring efforts over the course of fiscal 2014/2015. The Supervisory Board is well aware of the fact that the tasks to be performed will again call for a tremendous level of commitment and openness to change on the part of the Board of Directors, the Company's staff, and its employee representatives. These efforts, however, are essential with a view to getting the Company back on track for growth in the interest of all those involved.

On behalf of the entire Supervisory Board, I would like to express my gratitude for the dedication and effort displayed over the course of the last fiscal year in tackling the challenges faced by the Company.

Paderborn, November 25, 2014

Dr. Alexander Dibelius
Chairman of the Supervisory Board

WINCOR NIXDORF STOCK.

Proposed Dividend of €1.75 per Share (Increase of 18%).

Share Performance.

At the end of the period under review Wincor Nixdorf shares stood at €40.56, 12.5% down on the opening price recorded at the beginning of the fiscal year (October 1, 2013). As such, Wincor Nixdorf's stock underperformed the MDAX (+6.3%) by a considerable margin over the period of twelve months.

Performance of Wincor Nixdorf Shares Compared to MDAX and MSCI World.

The following points can be observed in relation to the performance of Wincor Nixdorf stock as shown in this diagram for the fiscal year just ended:

- Overall, share prices in the market as a whole rose up to the end of the fiscal year.
- Wincor Nixdorf shares significantly underperformed the market as a whole from April onwards.
- Wincor Nixdorf shares recovered slightly in August and September after sharp falls earlier in the year in response to geopolitical crises, poor quarterly results, and a downgrade of the Company's outlook for fiscal 2013/2014 as a whole.

The highest trading price in the period under review was €58.07 on February 28, 2014, while the lowest figure, recorded on July 28, 2014, was €35.26.

The average trading volume of Wincor Nixdorf shares on all German stock exchanges stood at 3.5 million shares per month in fiscal 2013/2014, compared to 2.7 million shares per month in fiscal 2012/2013.

Basic Data.

Date first traded	May 19, 2004
Issue price	€20.50
Stock exchange	Frankfurt Securities & Stock Exchange (Prime Standard)
Prime sector	Industrial
Total number of shares	33,084,988 shares with a nominal value of €1.00 each
WKN (German securities no.)	A0CAYB
ISIN	DE000A0CAYB2

Index Membership.

According to data issued by Deutsche Börse for September 2014, Wincor Nixdorf is ranked 37th in the MDAX index on the basis of market capitalization (previous year: 28th) and 27th (previous year: 34th) on the basis of trading volume. Both of the above-mentioned rankings are important criteria with regard to the stock's appeal for institutional investors.

We have been informed of the following index memberships:

Index	Included since
MDAX	September 20, 2004
MSCI World Index (World Small Cap)	June 1, 2005
Kempen SNS Smaller Europe SRI Index (Socially Responsible Investment)	October 1, 2007

Wincor Nixdorf Shares – Key Facts & Figures.

	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010
Opening price (XETRA)	€46.35	€30.54	€33.28	€48.00	€43.70
Fiscal year-end price (XETRA)	€40.56	€46.16	€30.43	€33.80	€47.83
Fiscal year high (XETRA)	€58.07	€51.15	€41.90	€63.45	€55.49
Fiscal year low (XETRA)	€35.26	€29.50	€26.41	€31.55	€38.55
Number of shares as of September 30	33,084,988	33,084,988	33,084,988	33,084,988	33,084,988
Shares in free float as of September 30	29,816,211	29,776,490	29,776,490	29,776,490	31,370,717
Free float	90.1%	90.0%	90.0%	90.0%	94.8%
Market capitalization as of September 30	€1,209m	€1,374m	€906m	€1,006m	€1,500m
Total dividend	€52m[1)]	€44m	€31m	€51m	€53m
Dividend per share	€1.75[1)]	€1.48	€1.05	€1.70	€1.70
Dividend yield (based on fiscal year-end price)	4.31%	3.21%	3.45%	5.03%	3.55%
Earnings per share	€3.39	€2.93	€2.10	€3.60	€3.38

[1)] Proposed dividend.

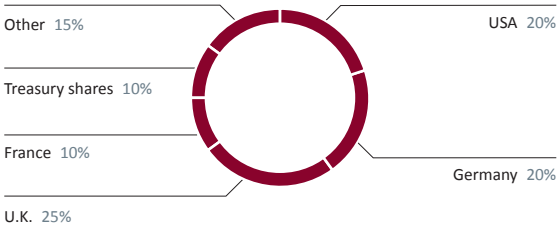
Shareholder Structure: Broad Scope of International Ownership.

A total of 90% of Wincor Nixdorf's stock is in free float (10% treasury shares). At the end of the reporting period the following entities each held an interest in Wincor Nixdorf in excess of the disclosure threshold, based on notifications specified under Section 21 WpHG (German Securities Trading Act):

- Polaris Capital Management, LLC (over 3%)
- Highclere International Investors LLP (over 3%)
- Deutsche Asset & Wealth Management Investment GmbH (over 5%)

Details concerning Directors' Dealings pursuant to Section 15a WpHG (German Securities Trading Act) are published on the Company's website at www.wincor-nixdorf.com in the section entitled Investor Relations.

Regional Distribution of Shareholders* %



* Current estimate based on figures for September 2014.

[1]
Glossary: p. 137

Investor Relations: Consistent Communication.

In the context of its Investor Relations activities, Wincor Nixdorf is committed to a policy of open and active financial communication. Investors and analysts are furnished with information on the strategic direction and development of the Company in a comprehensive and timely manner. Our aim is to generate confidence by maintaining an ongoing dialog with the capital markets.

In the fiscal year under review, we held a total of 21 road shows and conferences in Austria, Denmark, Finland, France, Germany, Luxembourg, Spain, Switzerland, the United Kingdom, and the United States as a means of fostering close relations with existing partners and establishing new contacts.

We also conducted numerous one-on-one meetings with investors at our headquarters in Paderborn. Complemented by tours of our plant and product presentations, these meetings gave visitors a comprehensive insight into our Company and portfolio.

In all, the Board of Directors and the Investor Relations team held talks with well over 300 institutional investors in the reporting period. Fund managers from Germany, France, the United Kingdom, and the U.S. in particular showed a strong interest in our Company.

Following the publication of our quarterly figures and provisional results for fiscal 2013/2014, we discussed our financial situation and business performance in the respective segments at length during several conference calls with analysts and investors.

All ad hoc announcements, press releases, and quarterly reports were published promptly on our website, both in German and English. The website also contains extensive information on our share buyback programs, corporate structure, management, and strategy, in addition to providing details on corporate governance [1] and our Annual General Meeting.

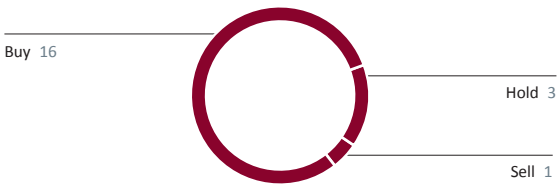
Analyst Coverage.

At the end of the period under review, the Company was officially covered by 20 financial analysts, who issued comments and recommendations. These analysts are (in alphabetical order):

Bankhaus Lampe, Berenberg Bank, Commerzbank, Deutsche Bank, DZ Bank, equinet Bank, Fairesearch, Goldman Sachs, Hauck & Aufhäuser, HSBC Trinkaus & Burkhardt, Independent Research, KeplerCheuvreux, LBBW, MainFirst, Metzler Equity Research, M. M. Warburg, National-Bank, Nord/LB, UBS, Wedbush Morgan Securities.

Analyst recommendations at the end of fiscal 2013/2014:

Summary of Analyst Recommendations. number



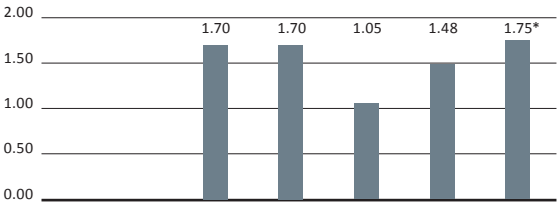
Consistent Dividend Strategy.

For fiscal 2012/2013, we paid a dividend of €1.48 per share. For fiscal 2013/2014, the Board of Directors and the Supervisory Board intend to propose a dividend of €1.75 per share to the Annual General Meeting. This represents a dividend yield [2] of 4.31% based on the fiscal year-end price of Wincor Nixdorf stock.

This means that the Board of Directors will again follow the dividend strategy established at the time of flotation, according to which around 50% of profit for the year [3] is earmarked for distribution to shareholders.

[2] [3]
Glossary: p. 136

Dividend History. € per share



Fiscal year	09/10	10/11	11/12	12/13	13/14
Change		0%	–38%	41%	18%

* Proposed dividend

Annual General Meeting.

Shareholders attending the Annual General Meeting (AGM) of Wincor Nixdorf AG in Paderborn, Germany, on January 20, 2014, represented over 62% of the Company's voting rights. All resolutions on the agenda were adopted with large majorities.

The next Annual General Meeting is scheduled to take place in Paderborn on January 19, 2015.

Treasury Shares.

At the end of the reporting period, the Company held a total of 3,268,777 treasury shares, equivalent to 9.88% of its share capital, as a result of repurchase programs in previous fiscal years.

The repurchased shares are intended for all purposes admitted by the law and covered by the authorization given by the AGM, in particular to fulfill the Company's obligations in respect of the share options already issued or to be issued to members of the Board of Directors, other managerial staff, and employees of the Company and/or subordinate associated companies.

CONTENTS.

WINCOR NIXDORF AG
GROUP MANAGEMENT REPORT
FOR THE FISCAL YEAR 2013/2014.

FUNDAMENTAL INFORMATION ABOUT THE GROUP.

Structure and Business Activities.

Overview.

Global IT Specialist at the Customer Interface. Wincor Nixdorf is one of the world's leading providers of IT solutions and services to retail banks and the retail industry. Drawing on a comprehensive portfolio of products and services, we are superbly placed to support and optimize our customers' business processes, especially at branch level. We also apply the expertise we have gained from our core business to related industries such as postal and service station companies. Wincor Nixdorf has a total workforce of around 9,000 people. Over half are employed outside Germany.

Our Group generates around two-thirds of its total net sales from the banking sector and around one-third from retailers. Software and Services account for over half of all Group revenue, while the rest is attributable to Hardware sales.

From a regional perspective, the Group generates 70% of its sales in Europe, which we regard as our domestic market. The Asia/Pacific/Africa region accounts for 18% and the Americas 12%.

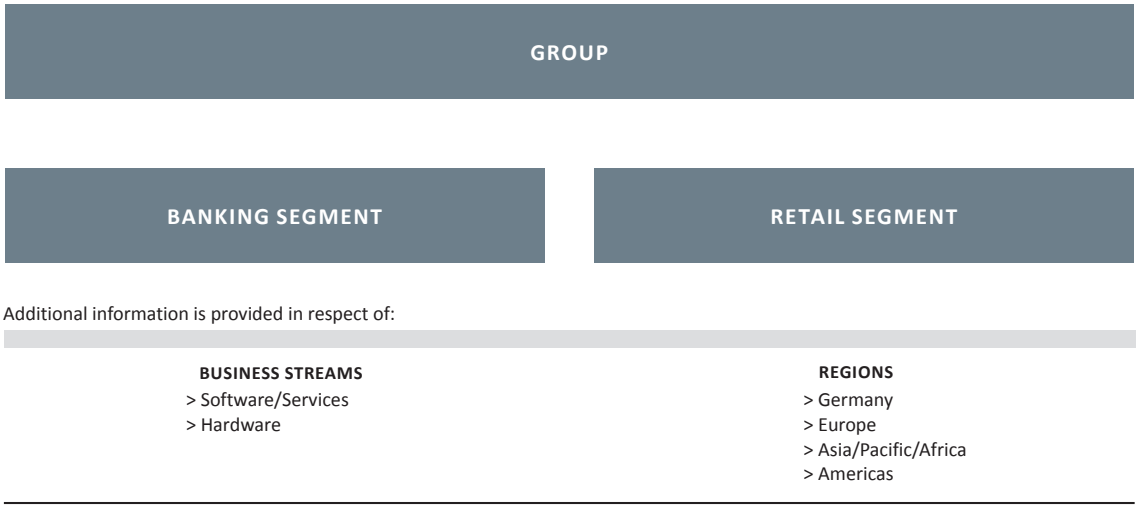
Whether directly or through its partners, Wincor Nixdorf has now established a presence in around 130 countries around the globe. This gives us an outstanding profile when it comes to customer proximity. The parent company has subsidiaries in 42 countries. In the remaining countries we collaborate with experienced sales partners that have an excellent knowledge of the local requirements and conditions on the customer side.

As regards IT-Services, we are able to deliver a local service to our customers all over the world. To make this possible, our well-established Services organization works with a network of certified partners to guarantee the same high quality at a global level.

Reflecting the twin-sector focus of our operations, we have divided our Group reporting system into Banking and Retail segments. Within each segment, our reports also examine performance by region and business stream.

All business-related presentations and descriptions in the management report are based on the following structure:

Group Reporting Structure.



Legal Structure of the Company.

An International Player Based in Germany. Wincor Nixdorf is a stock corporation (Aktiengesellschaft) under German law. The Company's headquarters are in Paderborn, Germany. There were no significant changes to the Company's legal structure in fiscal 2013/2014. The Group's latest financial statements include 82 fully consolidated companies (2012/2013: 81) [1].

We have an international network of production facilities that includes a number of external partners. The Group's own production sites are located in Germany, China, and Brazil.

Our research and development activities are performed in Germany, Austria, Poland, the Czech Republic, Singapore, China, and Brazil. Here, too, we collaborate with a growing network of external partners and research institutes.

Business Model.

Development of Business Processes with Intelligent IT Solutions. Wincor Nixdorf supports the efforts of retail banks and retailers to continuously refine their business processes using highly reliable information technology. The solutions we provide – covering hardware, software, and services – focus primarily on the interface between businesses and their customers.

The success of our business model is based on two key developments. The first of these is the growing importance of IT. Information technology is no longer regarded merely as a tool for improving cost structures. Increasingly, it also acts as a lever for competitive growth. IT is establishing itself more and more as a pacesetter for change in the corporate environment and thus as a key element of strategic planning and operational business. This tends to stimulate further demand for intelligent IT solutions of the type offered by Wincor Nixdorf.

The second key development is the trend towards expansion among many of our current and potential customers. Major retailers, branded product manufacturers, and banks are keen to break into international markets. Thanks to our broad regional presence, we are well placed to support their expansion as a trusted partner. At the same time, we are in a good position to help local providers expand within fast-growing national economies.

Our business model is centered on the benefits we can deliver for our customers. This is crucial to our own business success. We aim to generate sustained added value for banks and retailers. In this context, one of our core strengths is that our customers can obtain all the services and expertise they require from a single provider – Wincor Nixdorf. This makes it easier for them to deal with the change processes they face.

Another key feature of our business model is the extremely wide-ranging business support that we provide. To this end, we continue to pool our strengths, systematically expand our skills base, and develop new and highly competitive services directly within the market. Additionally, as a result of our comprehensive package of support, we tend to establish long-term working relationships with companies.

Within the framework of our business model, we act at all times in accordance with the principles of sustainability. Our principles are outlined in a dedicated section of this report under the heading "Sustainability" [2].

[1] Consolidation Group: p. 95 et seq. and p. 131

[2] Sustainability: p. 54 et seq.

Product and Service Portfolio.

Experts in Continuous Optimization. Wincor Nixdorf's product and service portfolio is based on IT solutions that can be implemented by retail banks and retail industry customers to create efficient and highly automated sales channels. Our primary focus is on the branch business as the strongest sales channel, and our particular expertise lies in the optimization of key processes and workflows by creating the best possible combination of hardware, software, and services, e.g. from a total cost of ownership [3] perspective. Accordingly, our portfolio ranges from the design, supply, and integration of solutions through to actual operation.

[3] Glossary: p. 136

Full details of our portfolio can be found at www.wincor-nixdorf.com [4].

[4] www.wincor-nixdorf.com

Objectives and Strategy.

Achieving our Corporate Objective with Four Strategic Goals.

Profitable Growth. Our actions are geared towards achieving "profitable growth" at Group level. To this end, we need to strengthen and make further progress in our key business and operating areas, a challenge that involves taking account of the megatrends that influence our markets.

In operational terms, we measure the extent of this "profitable growth" in terms of the following indicators:

- We aim to regularly increase our net sales at a faster rate than the corresponding IT market in our target sectors; our projections of market revenue are based on independent industry surveys such as PAC's analysis [5] of IT expenditure in the banking and retail sectors.

[5] See p. 59 and p. 86

- As well as growing our business, we aim to increase our operating profit by a slightly higher percentage rate than the level of growth generated in net sales.

Four Strategic Goals. To help us meet our growth target, we have defined four strategic goals – both quantitative and qualitative – that reflect the prevailing conditions at global macroeconomic and industry levels. We may possibly choose to make acquisitions in support of our growth strategy. This option has been factored into our forecast net sales and operating profit.

1. Global Growth Based on our Strength in Europe. The shift in global economic growth towards the rapidly expanding markets of Eastern Europe, Africa/Middle East, Latin America, and Asia/Pacific continues. We believe this trend will persist in the medium and long term, regardless of any temporary slowdowns that may affect all or just some of these regions, as was the case in Eastern Europe in the year under review. This fundamental trend presents us with an opportunity and a challenge to take part in the growth achieved by these markets. We also see further growth prospects on the North American continent.

- In the medium term, we want to lift the percentage of total net sales generated in emerging markets back to over 30% and to maintain it above that level.

At the same time, our domestic market, Europe, will remain our biggest and most important sales region. Europe is a significant driving force behind the global trends in our target sectors and our own business performance. Consequently, one of our top priorities as a market-leading company is to help shape the technological future of retail banking and the retail industry in the European market.

2. Strengthening our Market Position through Innovation. The pioneering products and solutions we develop today are the foundation of our business success tomorrow. These developments are designed to help drive the process of change among our customers, and our focus on this area has established us as a much sought-after partner when it comes to the forward-looking transformation of banking and retail operations. We make every effort to retain this position by drawing on the expertise of our research and development teams and by maintaining a consistently high level of R&D investment. At the same time, we stress the importance of thinking and acting in terms of complete process solutions that focus right from the start on the potential benefits to our customers.

- The ability of our customers to compete in their own markets depends crucially on making continuous improvements in the areas of productivity and cost. Our own expertise in these fields presents us with exceptional opportunities for growth. Accordingly, one of the main qualitative goals of our R&D work is to exploit this potential with a continuous stream of innovative products and services that can drive our growth.

In this context, our research and development teams focus particularly on software. Together with innovative hardware, our software portfolio is set to be one of the key drivers of change in our customers' business operations. In the banking sector, the aim might be to integrate bank branches into a omni-channel sales concept [6], to provide efficient and secure methods of cash management, or to integrate mobile payment systems into the bank's existing infrastructure. In the retail sector, our customers may need a solution that allows them to implement an omni-channel strategy or one that enhances the shopping experience. Thanks to our software expertise, we can provide even more effective support for our customers' efforts to expand and improve their services. Crucially, our solutions also help to protect their IT infrastructure against new security threats.

- We aim to achieve annual double-digit growth in Software and Professional Services [7]. To support and implement this target, we have drawn up a multi-year investment and growth plan for these two areas.

We also want to maintain our forward momentum in the Hardware business and to generate economies of scale that allow us to boost EBITA. We plan to do so mainly through a significant expansion of our business activities in emerging markets, although our hardware growth strategy also involves exploiting potential new business in industrialized countries as retail banks and retailers undergo a process of transformation – primarily through the development of high-end systems [8] with cutting-edge software designed to maximize the level of automation.

With a view to reducing the growing complexity associated with the plethora of payment methods now available, especially in the retail sector, we invest particularly in the development and marketing of innovative cashless payment solutions.

3. High-end Services Portfolio Targeted for Further Expansion. As a result of tough competition and tremendous pressure on costs, retail banks and retailers are looking to make ongoing cost savings in their IT operations and are keen for their systems to deliver maximum availability. Equally, they are eager to insure that the increasing diversity of solutions should not automatically lead to greater complexity when they are updated.

We believe that Managed Services [9] and Outsourcing are particularly suitable approaches to meeting these requirements, and as such they now play an increasingly important role in our wider portfolio alongside Product-related Services.

[6] [7] [8] [9]
Glossary: p. 136

- Managed Services and Outsourcing are particularly sophisticated, high-end services that offer outstanding potential, in conjunction with our expertise, to exploit opportunities for future growth. We continuously refine and expand the scope of these high-end services. Our aim is to achieve annual double-digit growth in these two fields.

4. Adapting Expertise to Similar Applications by Leveraging Synergies. There are growing similarities between the sales concepts adopted by banks and retailers. Each has an impact on the other. More and more, these shared features are being adopted by companies with similar customer interfaces, such as service stations and postal operators.

- The fact that these sectors share a number of features presents an opportunity for us to harness the available synergies. Without abandoning our focus on retail banks and retailers, we therefore plan to exploit business opportunities with companies in neighboring sectors, e.g., postal operators and service stations. These opportunities can help us to achieve our growth targets in terms of Hardware and Software/Services.

Progress in Implementation of Strategy in Fiscal 2013/2014.

Emerging Market Business Strengthened. We were able to maintain a pattern of continued growth in the markets that make up our Asia/Pacific and Latin America regions, where we achieved growth rates in excess of the regional average growth in gross domestic product. Despite these welcome developments, however, we were unable to meet the target we had set ourselves for the year under review in the emerging markets as a whole. This was mainly due to a significant decline in business volume in the fast-growing markets of Eastern Europe, and weaker sales in Turkey. [10] The overall contribution of emerging markets to our total net sales fell below the target figure of 30%.

[10]
Course of Business:
p. 60 et seq.

Reflecting our ambitions for growth in these regions, we worked hard to improve our competitive position, for example by expanding our supplier and production network, especially in the Asia/Pacific region. [11]

[11] Purchasing, Production, and Logistics: p. 58

Strong Position in Europe Consolidated as Springboard for Global Growth. In the calendar year 2013, Wincor Nixdorf took steps to effectively consolidate its strong position in the domestic European market as a basis for the Company's further global expansion. According to market surveys published during the year under review, in 2013, for the first time, our Company took over the number one position in Europe for shipments of ATMs and ePOS systems (see, for example, independent market research publications such as Retail Banking Research, Global ATM market, and forecasts). With regard to shipments of retail industry ePOS solutions in the Food/Non-Food and General Merchandise segments, Wincor Nixdorf was able to consolidate its market-leading position within Europe (survey by U.K. market research firm Retail Banking Research, Global EPOS [12], and Self-Checkout [13]). In 2013, as in the year before, Wincor Nixdorf was ranked second worldwide in both segments.

[12] [13] [14] Glossary: p. 136

Rise in Sales from Software and High-end Services. In the year under review, net sales of Software/Services rose at a faster rate than Group business as a whole. This percentage growth was mainly attributable to sales of Software, Professional Services, and High-end Services, although it has not yet reached the double-digit rate targeted by the Company.

[15] Employees: p. 55 et seq.

In the Software business, evidence of strong international demand for our retail banking solutions was provided in the year under review by several major projects commissioned by banks with a large number of branches and self-service systems. Among the most popular of these solutions were our multi-vendor and monitoring software products as well as an omni-channel platform for operating ATMs with the simultaneous integration of other channels [14], e.g., mobile.

Turning to the retail sector, in fiscal 2013/2014 we successfully launched TP.net 5.5, the next release of our global software platform. In the second quarter of the reporting period, reflecting the Group's declared intention to expand its retail software operations, Wincor Nixdorf took over assets and employees of DATEC Retail Systems a.s. in Zlín (Czech Republic), thus acquiring vital expertise to complement its existing retail portfolio. DATEC specializes primarily in data integration in the field of omni-channel and ERP processes.

Implementation of Structural Changes to Expand Software Business. During the year under review, Wincor Nixdorf made further progress in the implementation of its multi-year investment and growth plan designed to expand the Group's fast-growing Software and Professional Services business. Our global software operations and software-related services are driven and controlled by our new Software Headquarters, which was set up during the last fiscal year in the Dutch city of Utrecht.

With a view to pooling its existing mobile and cashless payment portfolios, targeting them more effectively at the market, and refining the underlying concepts, right at the beginning of the fiscal year Wincor Nixdorf established a new business unit in the Czech capital Prague by the name of Cashless Payment Solutions.

Personnel Restructuring with Focus on Software and Professional Services. The Group's determination to expand its Software, Software-related Services, and Services portfolios was reflected in the year under review in changes to the personnel structure, with the majority of new appointments being made in these areas. At the same time, the number of personnel was reduced in some other areas. This shift is typical of the wider restructuring program currently being implemented by the Company [15].

Corporate Management and Performance Indicators.

Strategic Planning as the Basis for Operational Management. The Group's management and control processes are based on annual strategic plans.

These include an assessment of our sales units and regions and their corresponding markets and customers with a view to identifying changes and developments and building them into our corporate targets at an early stage. This strategic planning also covers the Group's main functions (Production and Procurement, Research and Development, Services) to insure that they are aligned with changes in customer and market requirements. It serves to define medium-term objectives for the Banking and Retail segments. Additionally, the objectives for the Group's various units and functions are derived from this strategic plan.

Strategic considerations feed into a multi-year plan that is used to establish our budget target for the following year. This target is applied to operational planning for the various organizational units, at which point it is linked to more detailed objectives and measures at an operational level.

Opportunity and risk management [16] plays a key role in operational planning and decision-making. All the Group's operating units are integrated into this process.

Every month, based on the latest results and developments, we draw up a rolling plan (forecast) with updated financial control indicators for the current fiscal year. By monitoring this rolling plan, we are able to identify any deviations from agreed targets at an early stage and take prompt measures to insure those targets are still met.

An integrated IT system is used for planning, control, and reporting processes. It is monitored regularly and adapted as required to meet new demands. This insures that it remains up to date and effective.

Financing Strategy Insures Room for Maneuver. Wincor Nixdorf's financing strategy has two main objectives. The first of these is to maintain and strengthen our existing financial structure so that the Company can continue to enjoy a good credit rating despite economic fluctuations and other imponderable business developments. One way in which we can achieve this is by maintaining appropriate levels of operating cash flow. The second involves taking action to insure that the financial prerequisites for the continued growth of the Company can be met at all times by an adequate supply of cash and by our available credit lines.

In order to provide scope for financing and achieve these objectives, in December 2011 we signed an agreement giving us a revolving credit facility [17] of €400 million. In January 2014 this credit line was reduced by €100 million to €300 million and will remain in place up to December 2018. Furthermore, in December 2013, we took out a €100 million multi-year loan with the European Investment Bank.

Managing Success with the Help of Selected Financial Indicators. The control indicators used by the Wincor Nixdorf Group reflect the interests and covenants of our capital providers and underpin our value-driven approach to corporate management. Our main focus is on indicators of financial performance. They are compiled at Group level as central financial indicators. At the next reporting level below that, we measure our performance in respect of the Banking and Retail segments, the different regions, our sales entities and investees, as well as our Hardware and Software/Services business streams.

Focus on Main Control Parameters. The main financial performance indicators used to control the Wincor Nixdorf Group and as the basis for management decisions are **net sales** and **operating profit EBITA**.

Operating profit (EBITA) is a key measurement and control indicator for the entire Wincor Nixdorf Group and for the underlying profitability of its Banking and Retail segments. EBITA stands for Earnings Before Interest, Taxes, and Amortization (of goodwill).

Wider Performance Measured by Additional Indicators. In the course of our day-to-day operational business, we link various activities as closely as possible to the most important performance indicators. Wincor Nixdorf also makes use of other financial and non-financial performance indicators to measure the economic success of its business activities.

The **EBITA margin** is another financial indicator used to measure the performance of the Group's operating and strategic segments (Banking and Retail) and of its sales regions and sales units, the aim being to steer them towards profitable and sustainable growth.

At Group level, other financial indicators include **cash flow** from operating activities, **working capital** [18], **gross profit margin, research and development expenses,** and **selling, general, and administration expenses. Profit for the period** serves as the basis for our dividend policy, while the **financial result,** and the **Group tax rate** are also carefully examined.

The above financial indicators are supplemented by non-financial indicators within the Group's individual functional areas. These include the **Group headcount** in Human Resources, while in research and development the **number of patent applications** and the **number of active patents** reflect the innovative strength of our research and development network. We also record data on **quality, supplier reliability,** and **stock turn.** These indicators help us to improve quality and achieve productivity gains, as well as generating economies of scale and reducing our costs.

As part of our sustainability management system, we look at **other non-financial indicators** in the fields of water and energy, business travel, transport, waste management, and human resources in order to monitor the Group's progress. Full details of these non-financial indicators can be found in our Sustainability Report.

[16]
Report on Opportunities and Risks: p. 80 et seq.

[17] [18]
Glossary: p. 137

Sustainability.

Reconciling our Economic Ambitions with our Environmental Responsibility and Social Conduct. It is our firm belief that the goal of long-term business success can only be achieved by taking into account *all* the factors that affect the Company. This means that as well as financial matters, we must have due regard for (qualitative and non-financial) indicators that furnish other information, e.g., on fuel consumption and emissions or on the level of support we provide for our employees.

Reflecting this goal, each year we produce a detailed Sustainability Report on the ecological and social aspects associated with our activities in pursuit of long-term success.

However, we would like to draw your attention here to some elements of our sustainability agenda. We have documented our understanding of sustainability and the measures we derive from it for our daily business in a sustainability strategy. We inform our stakeholders about developments and progress along the way by publishing an annual Sustainability Report [19].

[19]
www.wincor-nixdorf.com

Putting Sustainability into Practice within our Organization. Our commitment to sustainability is firmly embedded in the Group's organizational structure. Three central Competence Centers are fully established at Group level with active remits for the environment and occupational safety as well as health and social issues. They are responsible for managing our sustainability structures and for the ongoing development of our strategy.

The heads of the Competence Centers consult closely with an overall steering board consisting of members of the Board of Directors as well as representatives from our core business areas and from production. The steering board defines the general strategic sustainability guidelines for the Group.

Local issues relating to the environment, occupational safety, health, and staff welfare are handled by designated officers in all the geographical areas (country groups) into which the Group's global activities are divided and at our production sites.

Furthermore, at an operational level, a team of specialists is now in place with a uniform role across the Group. It is mandatory for fire marshals, first aiders, evacuation assistants, safety officers, environmental officers, and safety experts to be present or directly available at all locations.

Fully Documented in the Management System. The action required by our sustainability rules is documented in the form of internal directives, process instructions, and work instructions. These form part of the Group's management system. This guarantees the implementation of measures across all levels of the Company and all its processes.

Embedding Awareness of Sustainability. To insure that an awareness of sustainability is firmly embedded in the minds of all our employees, in the year under review we intensified our dialog with officers responsible for the different areas through regular online and video conferences. We also began work on the implementation of a newly devised training concept for our team of specialists. It is anticipated that each will act as a multiplier and help to raise awareness of sustainability throughout the organization.

Action to Implement Targets. We presented a number of specific environmental and social sustainability targets and corresponding measures back in fiscal 2012/2013 as part of our continuous improvement process. We began work on the implementation of these measures in the year under review.

Environmental measures

- Calculation of Wincor Nixdorf's product carbon footprint within a life-cycle assessment framework. Work began on the selection of an appropriate tool for measuring the carbon footprint of a product over its entire life-cycle – from the choice of components and materials through to production, use, and recycling.

- Modernization of the small-scale cogeneration plant at our biggest site in Paderborn in order to improve energy efficiency markedly through combined heat and power generation. This work was completed. To date, our records show that much more electricity and heat is generated despite a reduction in the amount of energy used by the plant.

- Global CO_2 emission ratings for the Group's vehicle fleet. This measure was also completed. Some countries have already introduced reduction targets and a system of bonuses for keeping within upper limits.

Social measures

- Establishing a worldwide reporting system for occupational accidents in order to compile accident statistics and to derive binding measures for the avoidance

of workplace-related accidents. We also made considerable progress towards the implementation of this measure.

- A training and qualification initiative and new staff development programs. The implementation of these measures continued in the year under review.

Sustainability Report Linked to GRI 4.0. During the year under review, we again published a Sustainability Report to keep our stakeholders informed about our activities in this field. Our report complies with the international guidelines of the Global Reporting Initiative (GRI) and continues to meet the requirements of the highest transparency level. Although not mandatory for reporting organizations until 2015, the new GRI 4.0 standard has already been incorporated into our Sustainability Report for the fiscal year 2013/2014.

Alongside our GRI 4.0-compliant reporting, we also conducted a materiality analysis of our sustainability measures. This involves a structured process to filter out the sustainability issues that are particularly relevant to our stakeholders and our Company and rating those issues. We can then concentrate on these key issues in our current and future sustainability reporting. In this context, we wish to encourage all our stakeholders to join us in an ongoing dialog.

Dialog Within and Outside the Group. Wincor Nixdorf is keen to engage in a regular and constructive dialog with the public and with its own employees. We see this as a way of maintaining trust in the performance of our Company and of permanently strengthening its reputation.

We use a variety of methods to provide information to and communicate with our target groups, especially our customers and the various capital market stakeholders. These methods range from the usual printed and digital media through to special materials for the international press. We also take part in and organize events and post information to the social media sites relevant to the Company.

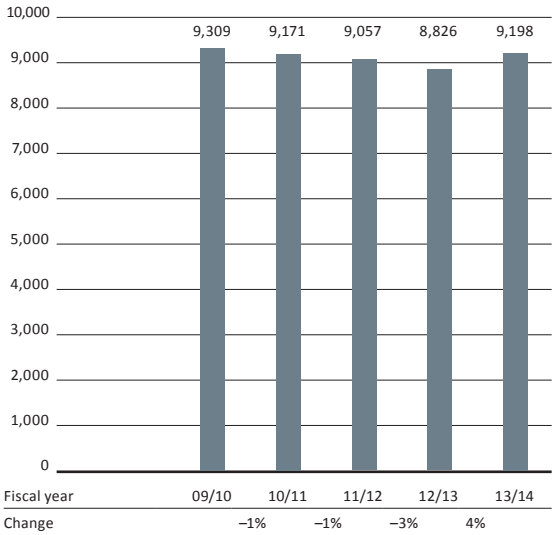
We maintain an ongoing dialog with our employees through a number of channels such as the Group intranet and a regular staff magazine. During the year under review, we again increased the frequency of our ad hoc internal publications as a way of communicating the latest developments in our ongoing and deep-rooted change process. The same action was taken with regard to the use of multimedia instruments. Finally, we also laid the foundations for a major redesign of our intranet-website in the coming fiscal year.

Employees.

Employee Structure.

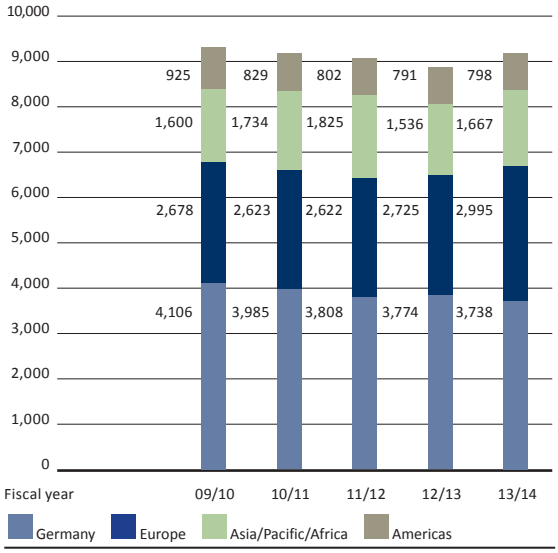
Workforce Restructured to Help Achieve Strategic Growth Targets. As of September 30, 2014, 9,198 people were employed by our Company worldwide, 372 more than at the end of the previous year (2012/2013: 8,826).

Group Headcount.



In regional terms, the main focus of new appointments was on Europe and Asia/Pacific. By contrast, there was a further reduction in the Group's headcount in Germany, where the number of employees at the end of the year under review stood at 3,738, down by 36 compared to the previous year (2012/2013: 3,774). The number of staff employed outside Germany rose by 408 to 5,460 (2012/2013: 5,052).

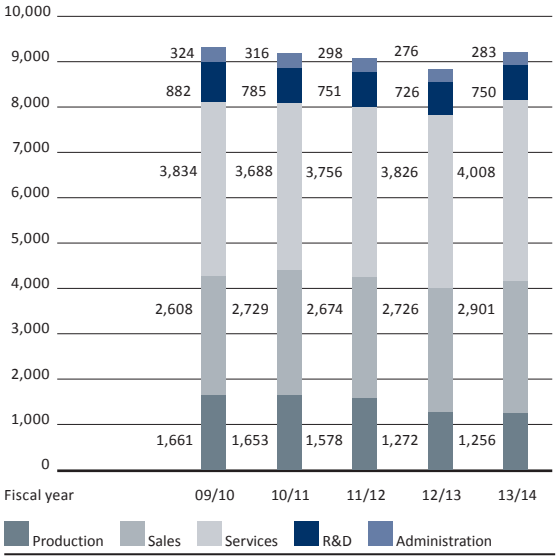
Group Headcount by Region.



In terms of functional areas, the increase was mainly a result of new appointments to strengthen the Services business, particularly at our Near-Shore centers, and the expansion of our Software and Professional Services operations. As well as the units now based at the Group's new Software Headquarters in Utrecht, the appointments include specialized sales teams within our country organizations. These numbers were supplemented by the expansion of Software development units at our site in Katowice, the workforce of DATEC Retail Systems a.s., and by our recently established "Cashless Payment Solutions"[20] business.

[20]
Glossary: p. 136

Group Headcount by Function.



Passing on Knowledge. The company is permanently under pressure to make structural changes and modify its processes. These measures are crucial to its future viability. We support this process of change with targeted training activities. For example, we have continued to invest in courses for our international sales teams. In the previous year, these were mainly directed at those in sales management positions and were designed to help them pass on their knowledge to colleagues. This training continued in the year under review. At the same time, we began to implement the second phase, in which sales teams receive training from their managers.

Gaining New Qualifications in Virtual Academies. One of the new initiatives launched by Wincor Nixdorf involves setting up virtual academies, i.e., a training program that can be tailored in response to the needs and strategies of individual areas of the Company. We started in the year under review with a virtual academy for Services staff and with Wincor Nixdorf's Research and Development unit. Following its successful launch, the aim is now to extend the program gradually to other areas of the Company.

Identifying and Supporting Talented Staff. We were able to fill many new positions of responsibility with high performers from within our own ranks during the year under review. Our long adopted proactive approach to identifying and developing talent is clearly paying off.

In order to attract highly qualified people from outside the Company as well, we have laid the foundations for even closer collaboration with higher education establishments. In the year under review, for example, we designed an intensive Group-wide program with appropriate support for those embarking on a new career in our production and supplier network (Supply Chain). The initiative involves running a series of intensive training courses, creating an apprenticeship network, and setting up exchange programs with a large proportion of project work. The aim is to insure that particularly suitable candidates are able to acquire the knowledge and preparation they require for their work in our production and supplier network in a rapid and compact form.

In addition, we offer purposeful internships and research positions on subjects relevant to the Company to students from a variety of disciplines, giving them the opportunity to gain much-needed work experience.

Wider Application of New Learning Methods. We made further refinements to our international Learning Management System in the year under review. We favor advanced learning methods such as "e-learning" and "blended learning" – a novel method where traditional classroom-based activities are combined with modern e-learning techniques. The Learning Management System

allows our staff to independently acquire the skills and knowledge that they specifically need for the successful development of their skills.

Research and Development.

Structure, Focus, and Core Data.

Strategic Importance of R&D. Research and development (R&D) have a crucial strategic value for Wincor Nixdorf as a technology company. Our commitment to continuous innovation is based on our ambition to maintain a technological edge, initiate new developments, and leverage potential efficiency gains. Additionally, these activities are designed to achieve greater market penetration with new solutions and concepts and in doing so to attract new customers and customer groups.

The main strategic focus of innovation is on High-end automation technology as well as software. Both are increasingly vital to our customers' future success – whether the aim is to equip branches to deal with the growing cost pressures they face and help them to improve their customer service; to establish multi- or even omni-sales channel capability; or to provide the infrastructure needed to manage cash and mobile payments efficiently and securely.

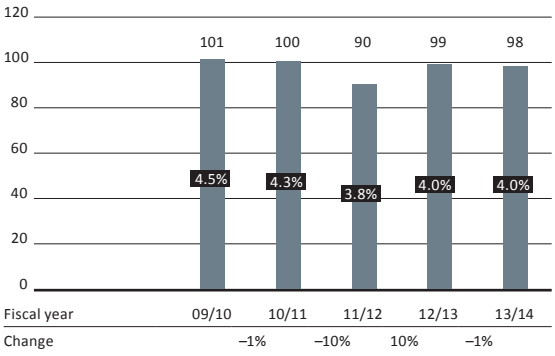
Restructuring of R&D Network Progresses at Pace. At the end of the year under review, the Group R&D headcount stood at 750. The corresponding figure at the end of the previous fiscal year was 726. As part of our restructuring program, the number of R&D employees in Germany was reduced by 29 (down 5%) to 534. The total R&D headcount outside Germany rose by 53 (up 33%) to 216.

At a structural level, too, we made further progress towards the ongoing internationalization of our research and development activities, for example by expanding the software development center set up the previous year in Poland. Our R&D network also includes locations in Germany, Austria, the Czech Republic, Singapore, China, and Brazil.

During the reporting period, we filed 45 new patent applications. The previous year's patent application figure was 41. The total number of active commercial patents was 1,610 (2012/2013: 1,549).

High Level of R&D Spending Maintained. In fiscal 2013/2014 the Group invested €98 million (2012/2013: €99 million). The R&D ratio was therefore unchanged year on year at 4.0% (2012/2013: 4.0%).

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



Focus of Development Work.

Banking Software for a Positive Customer Experience. Our software development work during the year under review again focused on the overarching goal of automating processes to make them as reliable and efficient as possible while offering end users a positive customer experience.

We made further improvements to our netcentric Retail Banking Solution so that retail banks can minimize the total cost of ownership (TCO) of their ATM networks and extend the functionality of those networks in response to new requirements. We also refined our surveillance software to insure that even the world's biggest ATM networks can be effectively monitored and managed.

Other new and ongoing developments also included mobile applications for tablets, so that bank staff can assist their customers with any problems they may encounter using self-service terminals and so that end users can withdraw money from the ATM using their smartphone instead of a bank card.

Another key focus of our R&D work was on security software to protect systems against the growing number of attacks from malware. We made further improvements to the ATM display to make it even more user-friendly, and our experts also developed a new ATM video support option.

Retail Software Integrates all Sales Channels. Retailers are looking for ways to integrate their entire range of sales channels in response to changes in the way their customers shop and communicate. Wincor Nixdorf has risen to this challenge by developing and launching a new version of its retail industry software. The new version allows retailers to seamlessly link and efficiently manage their sales channels ("TP.net 5.5") [21]. The newly integrated features include cross-channel ERP and customer retention solutions. With a view to improving customer service at

[21] Objectives and Strategy: p. 50 et seq.

branch level, the software offers a variety of functions for mobile devices with iOS or Android operating systems.

[22] [23]
Glossary: p. 136

New CINEO System [22] Supports Branch Transformation in Banking Sector. Based on our CINEO platform, we have introduced a new system that provides staff-operated or self-service access to a broad range of bank services. This particular system development is designed to facilitate the implementation of new branch concepts, especially in small and medium-sized formats, thereby supporting the wider process of branch transformation in the banking sector. The robust and compact ATMs in our ProCash system family have been updated to meet new local requirements.

Innovative Hardware Solutions for the Retail Industry. Wincor Nixdorf's scalable self-service checkout portfolio has been extended to include systems that can be operated by either staff or customers. Other developments saw the introduction of a checkout system with an integrated touchscreen and a tablet-based checkout solution that can be used to help customers while they are shopping or as a mobile payment terminal. Another checkout system was developed to meet the specific requirements of pharmacies, and features automated prescription processing.

Cashless Payment Portfolio Extended. During the year under review, we also focused on the development of system-related software for our interactive multifunctional payment terminal "Albert." This mobile device uses the Android operating system; thanks to integrated smart card, swipe card, and NFC readers, it supports a wide range of cashless payment methods.

Purchasing, Production, and Logistics.

International Production Network.

Foundations Laid for Efficient Processes. In order to improve our competitive position, we examined the Group's purchasing, production, and logistics systems with a view to identifying potential efficiency gains and initiating the required processes. The result was a large-scale restructuring of our supplier and manufacturing network. This was linked to the continued migration of our value chain in the direction of the emerging markets.

International Production Network Established. Reflecting our focus on continuous improvement, we made further progress in the restructuring of our global supplier, production, and delivery network, a process which had begun in fiscal 2011/2012. Hardware production within the Wincor Nixdorf Group occurs within an international manufacturing network with sites in Germany, China, and Brazil.

Benefits from Restructuring of Supplier Network. During the year under review we conducted regular business reviews with a substantial proportion of our suppliers, the aim being to identify and implement further potential efficiency gains with regard to flexibility, cost, and exclusive quality. As regards total cost of ownership [23], the resulting benefits to the Company were considerable. The restructuring of our supplier network also paid off. By concentrating on suppliers of complex modules based in low-cost countries, we achieved a significant reduction in both complexity and cost.

Optimized Manufacturing Network. As regards our worldwide manufacturing operations, we pushed ahead with plans to divide the work within our global production network as well as between Wincor Nixdorf and its respective external partners. One such measure involved shifting the production of complex assemblies to Asian suppliers. At our own factories, we completed the work required in order to focus on the highly adaptable production of customer system variants. This allows us to meet our customers' needs even more quickly and flexibly. In this context, we continue to apply the "local for local" principle, although in the case of particularly price-sensitive products, global supply is also possible from our more cost-effective production site in China.

REPORT ON ECONOMIC POSITION.

Macroeconomic and Industry Environment.

General Economic Conditions.

Global Economic Growth Amid Weaker Momentum from Emerging Markets. At the beginning of the 2013/2014 fiscal year the International Monetary Fund (IMF) issued a global growth forecast of 3.6% for the year 2014. In doing so, it downgraded by 0.4% its forecast presented several months earlier. The IMF pointed to a discernible loss in forward momentum within the emerging economies as the primary reason for its decision to trim its forecast. However, in its fall 2013 outlook the IMF also remained adamant that growth generated in the emerging markets would be considerably stronger than that achieved by the majority of the industrialized nations. The latter, according to leading economists, could look forward to stable growth for the first time in several years, led in particular by the United States. At the same time, the IMF predicted a slight upturn in economic performance by the industrialized nations of the eurozone.

In the late summer of 2014 the IMF once again revised downward its growth projections for the current year. As on the previous occasion, it cited a slowdown in forward momentum within the emerging economies. Additionally, the IMF pointed to geopolitical tensions as a risk to demand and as a decelerating force with regard to economic activity. In this context, it was referring in particular to the smoldering conflict between Russia and Ukraine as well as the increasingly dire situation in the Middle East. Against this backdrop, the IMF [24] trimmed its growth forecast for the global economy by another 0.2 percentage points to 3.4% for 2014 as a whole.

The **currencies** of key growth markets depreciated against both the euro and the US dollar during the period under review. The exchange rates of the majority of these currencies reached a low in the first half of 2014, before recovering in part as the year progressed. This, however, did not apply to the Russian ruble, which continued to depreciate against the US dollar and the euro in the second half of the year.

Industry Environment.

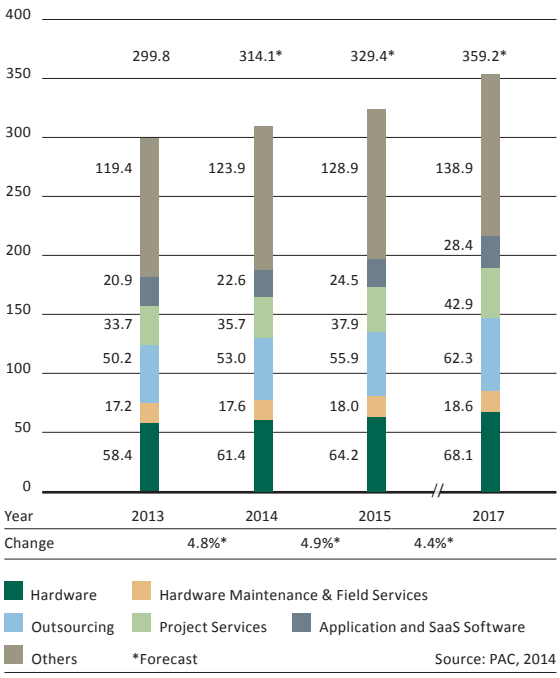
IT Expenditure Up in Banking and Retail Sectors. From a general perspective, banks and retailers again increased their investment in information technology during the year under review. This assessment is based on analyses conducted by market research firm Pierre Audoin Consultants (PAC), without specifically having taken into account the slowdown in growth momentum within individual submarkets. According to data published by PAC in August 2014, banks are likely to spend 4.8% more on IT in the calendar year 2014 than in the previous year. Over the same period, the retail industry is set to increase its global IT spending by 3.6%. In absolute terms, investment spending in the banking and retail sectors is expected to rise to €314.1 billion and €128.0 billion respectively in 2014.

[24] www.imf.org

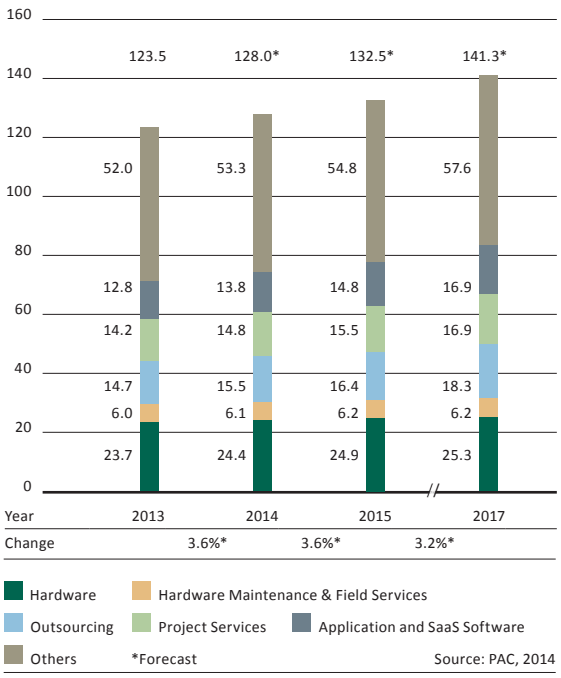
Retail banking has not yet returned to the level of growth it had reached before the banking crisis. Business was marked by a sluggish recovery, especially in the industrialized countries. This put pressure on the banks to increase their operational efficiency and productivity. The Retail Banking Performance Index (published quarterly by the Boston Consulting Group (BCG) and based on the revenue and earnings reported by 30 leading retail banks in Europe, North America, and Australia) points to a slight downturn in revenue and, at the end of the first quarter of 2014, a decline in profitability compared with the same period in the previous year.

In its latest survey (Retail Banking Radar 2014), A.T. Kearney concludes that Europe's retail banks have a long way to go before they can claim to have left the crisis behind them. The report does suggest that banks are slowly and gradually regaining stability. Profit margins, however,

Global IT Expenditure in the Banking Segment. € billion



Global IT Expenditure in the Retail Segment. € billion



are still below pre-crisis levels. The main conclusions of the report by the management consulting firm are as follows: Given continued evidence of weak growth and considerable regulatory pressure, end-to-end cost management is crucial as a means of improving performance. In addition, branch operations need to prove their worth as part of a multi-channel environment [25]. Looking ahead, banks are likely to operate smaller branches that focus on providing advice and strengthening brand identity while automating a wider range of transactions. They will also adopt new technologies and other formats. This transformation will require in-depth knowledge of customer needs and customer numbers as well as effective planning of future products and services. Digital technology, according to A.T. Kearney will also play an important role. Digital banking products need to combine the advantages of online and offline environments in order to guarantee outstanding customer service. This will necessitate leaner operating models, more effective decision-making processes and governance, and an integrated IT infrastructure that allows extremely fast processing.

[25]
Glossary: p. 136

With regard to the global **retail industry,** the focus in 2014 is on mobility, omni-channel business, and growth (RIS News 11th Annual "Store Systems Study 2014: Retail Technology Spend Trends."). The retailers covered by the survey anticipate a greater level of IT investment in 2014 compared with the previous year. Two-thirds of retailers are planning to open new stores in 2014, while 60% plan to take on new IT staff.

Factors such as demographic change, increasing purchasing power, greater expectations with regard to the overall shopping experience, and the potential offered by new technology lie behind the trend towards more demanding and well-informed consumers, especially in industrialized countries (Planet Retail "Global Trends & Forecasts, 2014 – Drivers of change in international retail"). When these developments are combined with ever more globalized competition and rapid growth in online business models, the result is even greater pressure on retail companies.

One of the ways in which branch operators have responded is to invest in their online sales channels. At the same time, many online retailers acknowledge that branch operations play a crucial role. At the branch in particular, customers expect something more than an off-the-peg shopping experience; they are looking for a package of services tailored specifically to their requirements – all the more so now that differentiation on price has largely disappeared as a result of almost complete transparency (Frost & Sullivan's Top 14 for 2014).

Course of Business.

Business Performance of the Group.

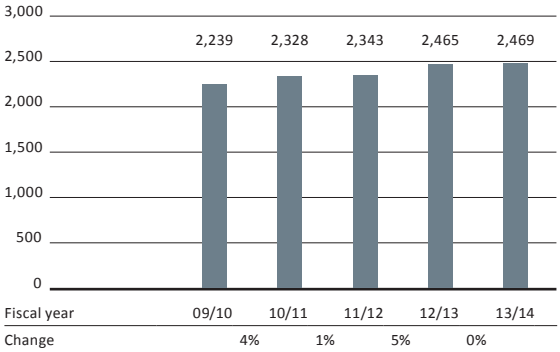
Overall Assessment of Business Performance. Wincor Nixdorf Looks Back on a Fiscal Year with Unexpected Challenges. The general business climate was characterized by a slight economic recovery in the industrialized nations, as anticipated, and a slowdown in the pace of growth generated by the emerging markets. In this context, business was adversely affected in Russia and Ukraine in particular. Additionally, the depreciation of currencies in some of the emerging markets that are of particular importance to Wincor Nixdorf proved detrimental to business.

Comparison of Actual and Forecast Course of Business.

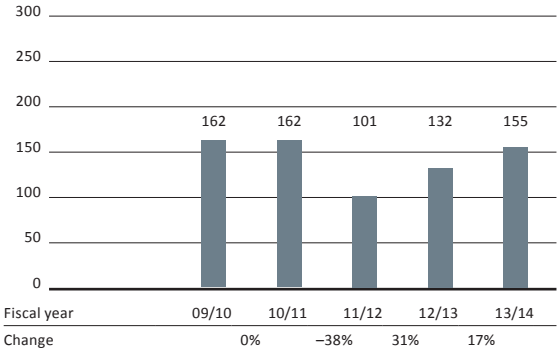
Earnings Data Fall Short of Expectations. In its report on the 2012/2013 fiscal year, Wincor Nixdorf had made a projection that it would generate growth in net sales as well as EBITA in fiscal 2013/2014. Based on the original forecast, net sales were expected to rise by 4%. However, the Company recorded no growth in its actual net sales. Net sales thus remained unchanged year on year. According to projections, EBITA was to rise by 17% to €155 million in total. Including one-off income from a property sale, the Company succeeded in achieving this target.

Net sales totaled €2,469 million in the period under review, which was comparable to the figure recorded in the previous fiscal year. In this context, business in the established industrialized markets of Europe was similar to that seen in the preceding year, while the Company's sales performance in North America was markedly better. In the period under review, Wincor Nixdorf succeeded in expanding its business in the emerging economies of Asia/Pacific and Latin America. By contrast, the Company was faced with a marked year-on-year downturn in business in the emerging markets of Europe – in Russia, Ukraine, and Turkey. As a result, instead of growth, Wincor Nixdorf had to contend with an overall contraction in business in the emerging countries, which in turn meant that the Group's total volume of business remained unchanged from the previous year.

Net Sales History. € million



EBITA History. € million



The lack of growth in net sales made the task of achieving a year-on-year increase in EBITA more challenging. Despite this, Wincor Nixdorf succeeded in lifting EBITA by 17% to €155 million. This figure, however, includes one-off income.

EBITA Adjusted for Exceptional Items (Adjusted EBITA).

The EBITA figure of €155 million reported by the Company includes one-off proceeds of €26 million from the sale of a building in Singapore formerly used for production purposes [26]. The sale of the building was associated with additional indirect expenses of €6 million, which are mainly attributable to variable components of compensation. In total, therefore, reporting EBITA includes exceptional items equivalent to €20 million. EBITA adjusted for exceptional items (adjusted EBITA) thus amounted to €135 million.

It was not until the third quarter that the developments outlined above with regard to net sales and EBITA became more apparent, and details were communicated accordingly as part of the Company's report on the first nine months. At the same time, the forecast issued at the beginning of the reporting year in respect of the Company's expected business performance was adjusted to reflect these developments.

At 22.0%, the gross profit margin remained unchanged year on year.

Earnings per share – including the proceeds from the sale of the premises in Singapore – stood at €3.39 for the fiscal year under review. This corresponds to an increase of 15.7% compared to fiscal 2012/2013 at €2.93.

Success in expanding the Company's business activities in the emerging markets was cited as a prerequisite for achieving the aforementioned growth targets. The assumption made by Wincor Nixdorf was that IT expenditure in these countries would continue to develop very favorably given the underlying economic trends. Correspondingly, the advanced restructuring measures put in place by the Group, which included expansion of development and production capacities in the Asia/Pacific region, were aimed at providing – from this base – more direct and effective support for business in the emerging markets. The objective was for revenue growth in the emerging countries to counterbalance the persistently sluggish business outlook for key industrialized economies in the fiscal year under review. At the same time, however, the assessment of business activities in the emerging markets included anticipated downward pressure on profit margins. Our aim was to cushion this downward pressure, or more than offset it, by exploiting the effects of growth and economies of scale. Particularly Europe, constituting the largest market for Wincor Nixdorf, was unlikely to see any sizeable improvement in the propensity to invest within the retail banking and retail industry.

As fiscal 2013/2014 progressed, however, a loss in forward momentum in the emerging markets as well as the emergence of geopolitical tensions and the unfavorable direction taken by some exchange rates meant that Wincor Nixdorf was unable to achieve the level of business performance it had originally expected.

The depreciation of the Russian ruble, in particular, produced a severe dent in purchasing power with regard to products and services billed in euros or US dollars. For Wincor Nixdorf, this led to a significant reduction

in volumes ordered and net sales generated. For Wincor Nixdorf, this led to a significant reduction in volumes ordered and net sales generated. Alongside these adverse effects on business relating in particular to the Russia-Ukraine conflict, the Company was also buffeted by foreign exchange movements that proved detrimental to commercial activities in other emerging countries, such as Turkey, particularly during the first half of the fiscal year. In addition to the factors outlined earlier, these circumstances had a negative effect on total net sales generated by Wincor Nixdorf.

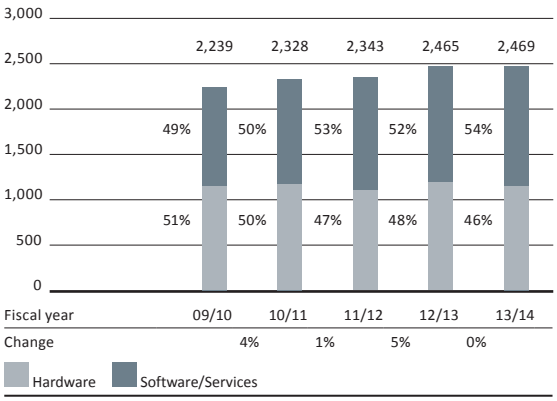
Over the course of the fiscal year under review, Wincor Nixdorf continued to assess its options regarding the future of the vacant production building in Singapore, which was owned by the Company and had formerly been used as a manufacturing facility. The building had become vacant when Wincor Nixdorf decided to migrate production to Shanghai and to external suppliers of components in the Asia/Pacific region as part of efforts to restructure its supply chain. The options available to the Company were to sell the building or use it for other purposes. After the decision had been taken to sell the building, it became apparent toward the end of the reporting period that the process of disposal would be concluded successfully in the near future.

Against this backdrop, upon presenting its report on the third quarter, Wincor Nixdorf corrected its previous forecast for the fiscal year 2013/2014 as a whole. The figures reported in this revised forecast were achieved at the end of the annual period under review.

Net Sales by Business Stream.

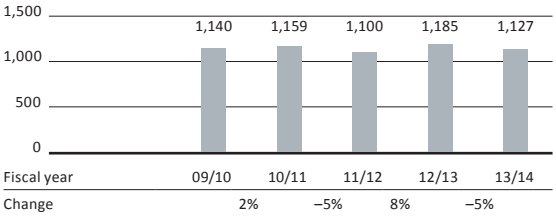
Analysis of our net sales by business stream reveals two distinct patterns. Following an increase in the previous fiscal year, the **Hardware business** declined slightly in the 2013/2014 fiscal year. By contrast, the **Software/Services business,** which has become increasingly important to us, showed moderate growth.

Net Sales Split: Hardware and Software/Services. € million



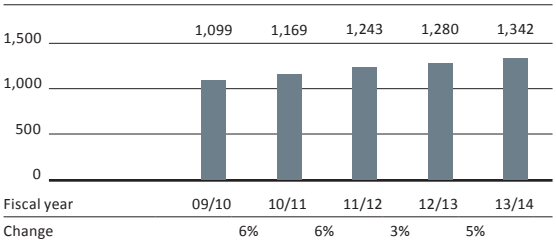
The Group's net sales generated from **Hardware** fell by 5% year on year to €1,127 million (2012/2013: €1,185 million) despite a significant increase in shipments. This downturn is attributable primarily to a loss in net sales in the emerging economies of Eastern Europe. As a result, the share of total Group net sales generated from the Hardware business fell to 46% (2012/2013: 48%).

Hardware. € million



Net sales from **Software/Services** rose by 5% to €1,342 million (2012/2013: €1,280 million). Growth in this area was attributable to larger revenue contributions from Software as well as higher-end business such as Professional Services, Managed Services, and Outsourcing. Business associated with product-related services was comparable to the previous year's performance, influenced by weaker Hardware business mainly in the Banking segment. Overall, the share of total Group net sales generated from the Software/Services business rose to 54% (2012/2013: 52%).

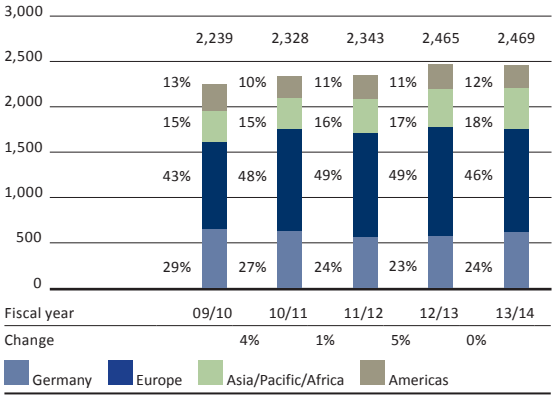
Software/Services. € million



Net Sales by Region.

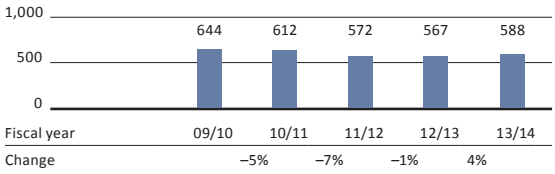
From a regional perspective, Wincor Nixdorf's sales performance was largely in line with the patterns of global economic performance discussed earlier. In other words, we recorded growth in all regions – with the exception of Europe (excluding Germany), which, however, constitutes our single largest market. The latter saw a decline in net sales compared to the previous year – in absolute as well as in percentage terms. The extent of this reduction in net sales was such that growth achieved in the other regions proved insufficient when it came to overcompensating for the decline.

Comparison of Regional Sales Performance. € million



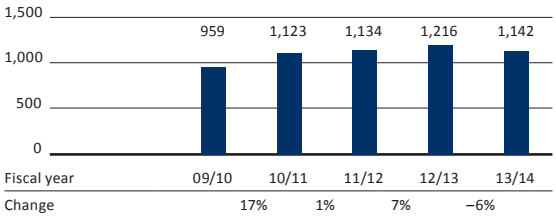
In **Germany,** net sales rose by 4% to €588 million (2012/2013: €567 million). On this basis, Germany's share of the Group's total net sales increased to 24% (2012/2013: 23%).

Germany. € million



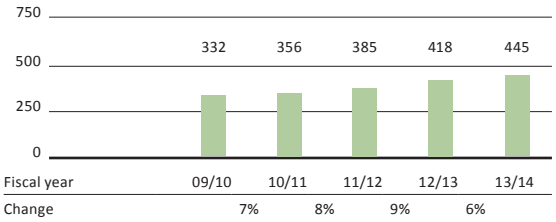
In **Europe** (excluding Germany), net sales declined by 6% to €1,142 million (2012/2013: €1,216 million). This was attributable mainly to a downturn in business with Russia, Ukraine, and Turkey, as well as to persistently sluggish business in the Southern European countries of the eurozone. As a result, Europe's (excluding Germany) share of the Group's total net sales fell to 46% (2012/2013: 49%).

Europe. € million



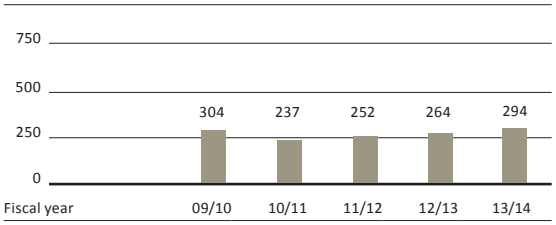
The **Asia/Pacific/Africa** region saw net sales rise by 6% to €445 million (2012/2013: €418 million). While the pattern of growth seen in Asia/Pacific in recent years was maintained, business in the countries of the Middle East and Africa was adversely affected by political uncertainty in these regions. The overall contribution of Asia/Pacific/Africa to the Group's total net sales rose to 18% (2012/2013: 17%).

Asia/Pacific/Africa. € million



As a region, the **Americas** recorded growth of 11%, taking net sales to €294 million (2012/2013: €264 million). Business expanded at an encouraging rate in both North and South America. Thus, the proportion of Group net sales generated in the Americas increased to 12% (2012/2013: 11%).

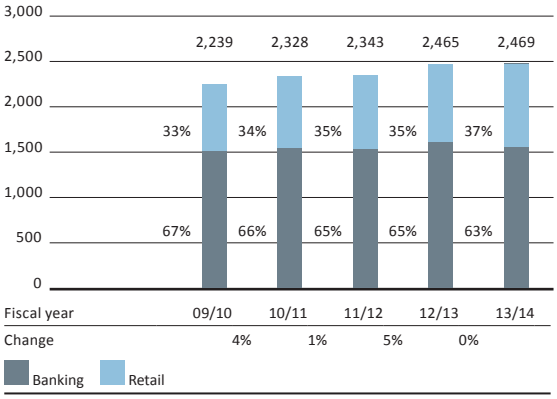
Americas. € million



Business Performance by Segment.

Difficult Year for Banking Segment, Growth in Retail Segment. In the period under review, developments in the wider economy took their toll in particular on the Banking segment, which saw business decline year on year. The Retail segment, by contrast, recorded encouraging growth. It benefited from efforts by major client companies with global business operations to standardize their international IT infrastructures, including the associated services. The Banking segment accounted for 63% of total net sales (2012/2013: 65%), while the Retail segment contributed 37% (2012/2013: 35%) to total net sales.

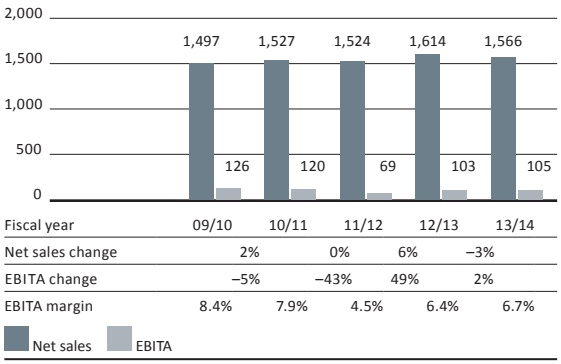
Net Sales Split: Banking and Retail. € million



Banking Segment Performance.

Growth in EBITA, Net Sales Down. Net sales for the Banking segment, including the postal business, fell to €1,566 million (2012/2013: €1,614 million). This corresponds to a decline of 3%. Segment EBITA rose by 2% to €105 million (2012/2013: €103 million), as a result of which the EBITA margin for this segment increased by 0.3 percentage points to 6.7% (2012/2013: 6.4%).

Net Sales and EBITA History: Banking. € million



Segment Performance by Business Stream.

Hardware Business. The above-mentioned slowdown in economic activity in the emerging markets, particularly in Europe, was reflected above all in the Hardware business of our Banking segment. In fact, business in this specific area fell well short of expectations.

Software/Services. Within the Banking segment, Software/Services developed along the lines of the previous year. This was attributable partly to a year-on-year increase in the volume of business associated with Software and Professional Services [26], whereas business from Product-related Services was down on the previous year's figure as a result of lower sales in the area of Hardware. After a period of stagnation, business centered around Managed Services and Outsourcing expanded once again.

[26]
Glossary: p. 136

Segment Performance by Region.

In **Germany,** business relating to Hardware and Software expanded slightly compared with the previous year. In this context, Wincor Nixdorf's accomplishments in the field of IT Outsourcing for banks proved beneficial. By completing a major customer project awarded to the Company in the last fiscal year, we managed to generate above-average growth in net sales from Services.

In **Europe** (excluding Germany) we recorded a substantial reduction in net sales, primarily as a result of the significant downturn in Banking business in Russia and Turkey. Some of the other countries served in this field, e.g., the United Kingdom, enjoyed a much more solid performance. However, we were unable to offset the contraction in business recorded elsewhere.

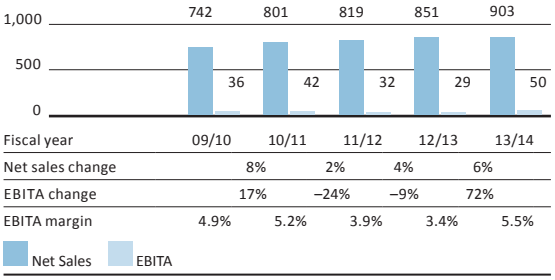
We saw an expansion in business in the **Asia/Pacific/Africa** region, which translated into an increase in net sales attributable to Hardware and Software.

Business in the **Americas** also experienced an encouraging upturn compared to the previous fiscal year. This was driven by more dynamic Hardware and Software activities in North America as well as by solid Services business in Latin America.

Retail Segment Performance.

Significant Increase in Growth of Earnings on Higher Net Sales. Net sales in the Retail segment, which includes our international service station business, rose by 6% in the year under review to €903 million (2012/2013: €851 million). EBITA increased by 72% to €50 million (2012/2013: €29 million). The EBITA margin recorded within the Retail segment rose by 2.1 percentage points to 5.5% (2012/2013: 3.4%).

Net Sales and EBITA History: Retail. € million



Segment Performance by Business Stream.

In the area of **Hardware**, Wincor Nixdorf succeeded in expanding its volume of business compared to the previous year. POS systems, in particular, were responsible for considerable growth in the period under review. Compared to the previous year, there was a slight increase in demand for High-end products, including systems designed to automate checkout processes [27].

Software/Services business also expanded year on year, fueled to a large extent by Software business with service station operators; this was complemented by international installations of POS software. Net sales from Services were also up on the figure recorded in the previous year. In particular, the Company succeeded in further expanding net sales attributable to Product-related Services. Business with Managed Services targeted at the Retail industry developed well, buoyed primarily by demand for Store Lifecycle solutions [28]. Both Services streams benefited in particular from successful projects relating to retail and service station companies undergoing global expansion.

Segment Performance by Region.

In **Germany**, business with retail companies expanded at an encouraging rate compared with the previous year. This was attributable mainly to a sizeable increase in POS system sales. Partner-led sales also developed well in the period under review.

We also saw an expansion in business in **Europe** (excluding Germany) compared with the previous year. The positive pattern of growth in this region extended to nearly all our European markets. It was driven by the Hardware as well as the Software/Services business.

Our Retail activities in **Asia/Pacific/Africa** expanded markedly in the period under review. In particular, we supported international service station groups in their efforts to expand international operations in Asia, Africa, and the Pacific Rim by providing targeted Services in this area.

In the **Americas**, meanwhile, net sales rose at a considerable rate, up from a relatively low base. This was attributable mainly to business dealings with retail and service station groups undergoing expansion at a global level.

Performance, Assets, and Financial Position.

Performance.

The Group's profit for the period rose by 18% to €104 million in fiscal 2013/2014 (2012/2013: €88 million).

[27] [28]
Glossary: p. 136

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

	2013/2014	2012/2013
Profit for the period	**104**	**88**
+ Income taxes	42	36
+ Financial result (finance costs – finance income)	9	8
EBITA	**155**	**132**
+ Amortization/depreciation of property rights, licenses and tangible fixed assets	54	53
+ Write-down of reworkable service parts	7	6
EBITDA	**216**	**191**

At €2,469 million, net sales for the Group were comparable to the figure recorded in the previous fiscal year (2012/2013: €2,465 million). While revenue from sales generated in the Banking segment fell by 3% to €1,566 million (2012/2013: €1,614 million), net sales in the Retail segment rose by 6% to €903 million (2012/2013: €851 million). Eliminating foreign exchange effects between the euro and the U.S. dollar, the increase came to 1%.

As in the previous years, a number of programs were put in place throughout the Group, the aim being to improve cost structures worldwide with the help of efficient cost management; the last fiscal year had included costs attributable to the restructuring program implemented in fiscal 2012/2013.

The gross margin on net sales remained unchanged year on year at 22.0% (2012/2013: 22.0%).

Research and development costs fell slightly by 1%, down €1 million to €98 million (2012/2013: €99 million). As in the previous fiscal year, the R&D ratio was 4.0% (2012/2013: 4.0%).

Selling, general and administration expenses rose slightly by €2 million to €315 million (2012/2013: €313 million). The sale of the building at the former production site in Singapore produced other operating income of €26 million (2012/2013: €0 million). Additionally, investments accounted for using the equity method were associated with expenses of €1 million in fiscal 2013/2014 (2012/2013: net income of €1 million).

EBITA for the fiscal year 2013/2014 was 17% higher at €155 million (2012/2013: €132 million). EBITA reported for fiscal 2013/2014 includes exceptional items equivalent to €20 million from the sale, concluded at the

end of September 2014, of the former production building mentioned above. For further details, please refer to the chapter entitled Business Performance of the Group. The substantial rise in EBITA reported by the Company also had a positive impact on the EBITA margin, which ended the year 0.9 percentage points higher at 6.3% (2012/2013: 5.4%).

Correspondingly, EBITDA rose to €216 million (2012/2013: €191 million). This represents an increase of €25 million or 13%.

At –€9 million, the Group's financial result deteriorated slightly in the period under review (2012/2013: –€8 million).

EBT (earnings before taxes) also rose as a result of solid EBITA to reach €146 million (2012/2013: €124 million). The Group's effective tax rate remained unchanged year on year at 29% (2012/2013: 29%).

Assets.

Compared to the previous year, the Group's balance sheet total at the end of the fiscal year was up by €134 million to €1,540 million (2012/2013: €1,406 million) due to factors relating to the end of the reporting period. On the asset side, this was attributable primarily to an increase in inventories as well as current receivables and other assets. As regards equity and liabilities, the increase in the Group's balance sheet total was driven by a rise in equity and current liabilities.

Assets. € million

	Sept. 30, 2014	Sept. 30, 2013
Assets		
Intangible assets	352	347
Tangible assets and financial assets	130	137
Non-current receivables and other assets	78	69
Non-current assets	**560**	**553**
Inventories	343	317
Current receivables and other assets	593	493
Cash and cash equivalents	44	43
Current assets	**980**	**853**
Total assets	**1,540**	**1,406**
Equity and Liabilities		
Equity (incl. non-controlling interests)	**427**	**383**
Pension accruals and other accruals	105	93
Financial liabilities	86	91
Other liabilities	35	34
Non-current liabilities	**226**	**218**
Other accruals	142	144
Financial liabilities	84	76
Trade payables	344	299
Other current liabilities	317	286
Current liabilities	**887**	**805**
Total equity and liabilities	**1,540**	**1,406**

At €352 million (2012/2013: €347 million), the carrying amount of intangible assets rose by a marginal €5 million compared with the previous year. Amortization of commercial patents and licenses amounted to €8 million (2012/2013: €7 million), which was contrasted mainly by capital expenditure on commercial patents and similar rights, software, and licenses totaling €12 million (2012/2013: €7 million).

The carrying amount of property, plant, and equipment fell by €4 million to €125 million (2012/2013: €129 million). The year-on-year reduction was attributable primarily to the category comprising land, buildings, and other equivalent rights, which was due to the sale of a property at the end of the fiscal year. Additionally, a total of €48 million was invested in property, plant, and equipment (2012/2013: €39 million), the emphasis being on capital

expenditure on IT equipment and specialist tools. Depreciation remained unchanged year on year, totaling €46 million (2012/2013: €46 million). Compared with the previous year, the carrying amount of financial assets fell by around €3 million to €5 million (2012/2013: €8 million), which was attributable mainly to a decline in investments accounted for using the equity method.

The carrying amount of non-current receivables and other assets increased by €9 million year on year to €78 million (2012/2013: €69 million).

Under current assets, inventories were up by €26 million on the previous year's figure, taking the total to €343 million (2012/2013: €317 million). Additionally, current trade receivables and other assets rose by a substantial €100 million to €593 million (2012/2013: €493 million). This increase in current assets was prompted mainly by expansive business toward the end of the fiscal year.

Current bank deposits rose marginally by €1 million to €44 million (2012/2013: €43 million). At the same time, current financial liabilities increased slightly, up by €7 million to €83 million (2012/2013: €76 million). This was attributable primarily to slightly higher borrowings from the Group's current bilateral credit lines.

Equity, including non-controlling interests, again rose markedly compared with the previous year, expanding by €44 million to €427 million in total (2012/2013: €383 million). The dividend payment totaled €44 million (2012/2013: €31 million), which resulted in a reduction of equity by a corresponding amount. However, this was more than offset by higher profit for the period of €104 million (2012/2013: €88 million). Equity movements are outlined in the table entitled Changes in Group Equity.

As regards non-current liabilities, accruals for pensions as well as other non-current accruals were up by €12 million, taking this figure to €105 million (2012/2013: €93 million). This was attributable to the fact that a lower interest rate was used to measure this obligation compared with the previous fiscal year. By contrast, non-current financial liabilities fell slightly by €5 million to €86 million (2012/2013: €91 million).

Within the area of current liabilities, trade payables rose by €45 million to €344 million compared with the previous year (2012/2013: €299 million). This was also due to more buoyant business toward the end of the fiscal year. At the same time, other current liabilities increased by €31 million year on year to €317 million (2012/2013: €286 million). This was attributable to an increase in deferred income of €13 million for revenues connected to maintenance business, taking the total to €106 million (2012/2013: €93 million). Additionally, other tax liabilities rose by €11 million, from €26 million in the previous year to €37 million in the period under review, and liabilities attributable to forward currency transactions increased by €9 million to €10 million (2012/2013: €1 million).

Compared with the previous year, other current accruals fell slightly by €2 million to €142 million (2012/2013: €144 million). From the present perspective, the accruals recognized sufficiently cover all of the Group's probable obligations.

Financial Position.

After funds allocated to the Contractual Trust Arrangements (CTA), leading to a cash outflow of €15 million, cash flow from operating activities in fiscal 2013/2014 fell by €76 million year on year to €84 million (2012/2013: €160 million).

Cash flow. € million

	2013/2014	2012/2013
EBITDA	**216**	**191**
Cash flow from operating activities	84	160
Cash flow from investment activities	–35	–50
Cash flow from financing activities	–40	–76
Change in liquidity	**9**	**34**
Changes relating to exchange rates and scope of consolidation	–1	0
Cash and cash equivalents at the beginning of the period	–32	–66
Cash and cash equivalents at the end of the period	**–24**	**–32**

EBITDA, a key determinant, rose to €216 million (2012/2013: €191 million). With the Group recording an outflow of €6 million, the net amount of interest received and paid remained unchanged year on year (2012/2013: €6 million). At the same time, income tax paid increased to €37 million (2012/2013: €15 million), which resulted in a substantial reduction in cash flow from operating activities. The expansion of working capital [29] led to an additional absorption of funds totaling €50 million (2012/2013: €3 million). This increase in working capital is also attributable to buoyant business toward the end of the fiscal year. Together, the change in other assets and other liabilities as well as the change in accruals, including the additional CTA allocation, produced a cash outflow of €24 million (2012/2013: cash outflow of €7 million).

At €35 million, net cash used in investment activities was down €15 million on the previous year (2012/2013: €50 million), influenced by the sale of the former production facility in Singapore.

At €54 million, the cash outflow for capital expenditure on intangible assets and property, plant, and equipment was higher than in the previous year (2012/2013: €46 million). The main emphasis of investments was on IT equipment, specialist tools, software, and licenses.

[29]
Glossary: p. 137

Effective from January 2014, as part of our Software expansion strategy, we acquired assets of DATEC Retail Systems a.s. (Zlín, Czech Republic) relating to this area of business. This involved an investment of €5 million, primarily for software products and licenses.
Net cash used in financing activities totaled €40 million (2012/2013: €76 million).
The dividend payment of €44 million (2012/13: €31 million) resulted in an outflow of cash.

The net amount of financial loans taken out in fiscal 2013/2014 was €10 million. By contrast, a total of €40 million had been used for the repayment of financial loans in the previous fiscal year.

In December 2013 Wincor Nixdorf signed a new six-year loan agreement with the European Investment Bank in Luxembourg. The total credit volume is €100 million. Repayments will be made in equal quarterly installments from March 2015 up to the expiry date in December 2019. At the same time, the Group's existing credit line (under the revolving credit facility) [30] was reduced from €400 million to €300 million.

[30]
Glossary: p. 137

As part of the acquisition of the remaining ownership interests in Prosystems IT GmbH, Bonn, an amount of €2 million was paid to non-controlling shareholders.

Additionally, as in the previous fiscal year, other financing activities in fiscal 2013/14 produced a cash outflow of €4 million (2012/2013: €4 million).

At €20 million, free cash flow (cash flow from operating activities less capital expenditure on intangible assets, property, plant, and equipment, and reworkable service parts) was down €87 million on the figure for the previous year as a result of the significant reduction in cash flow from operating activities (2012/2013: €107 million). Accounting for the proceeds from the disposal of property, plant, and equipment, including the payment received in connection with the sale of the former production facility in Singapore, free cash flow amounted to €54 million (2012/2013: €109 million).

As a result of the above-mentioned changes in cash flow, net debt amounted to €126 million as of September 30, 2014 (2012/2013: €124 million), largely unchanged on the previous year's figure.

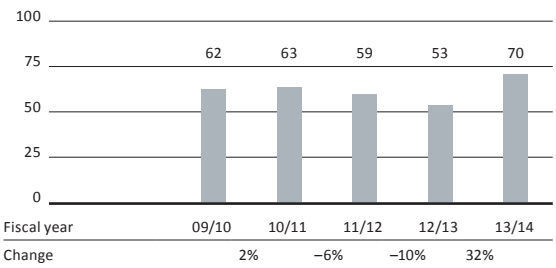
As of September 30, 2014, the loan volume of €100 million at the European Investment Bank in Luxembourg was fully drawn.

At the end of the reporting period, Wincor Nixdorf had undrawn borrowing facilities of €486 million (2012/2013: €442 million). These comprised €300 million in syndicated credit lines and an additional €186 million in other credit lines terminable on demand.

Capital Expenditure.

The Group's capital expenditure in the period under review was higher than in the previous fiscal year. Investments were made for the purpose of business expansion. They were also aimed at promoting innovation and enhancing the quality of our hardware, software, and services.

Capital Expenditures History. € million



During fiscal 2013/2014 we invested €70 million (2012/2013: €53 million) in total, primarily in IT equipment, software and licenses, specialist tools, and production facilities, as well as in reworkable service parts. In the area of IT equipment, our business in Germany was once again the focus of investment spending. At €56 million (2012/2013: €46 million), the majority of investments made over the course of fiscal 2013/2014 were attributable to the Banking segment. Additionally, a further €14 million (2012/2013: €7 million) was invested in the Retail segment during the period under review.

At the same time, the acquisition of assets of DATEC Retail Systems a.s. prompted more extensive capital expenditure of €5 million on software and licenses in the period under review.

Events after the Reporting Period.

We are not aware of any significant events since October 1, 2014, which could be considered as having a material influence on the financial position, financial performance, and cash flows of the Wincor Nixdorf Group.

OTHER STATUTORY DISCLOSURES.

Corporate Governance.

Management and Responsibility.

A Modern Understanding of Corporate Governance. The Board of Directors and Supervisory Board of Wincor Nixdorf are committed to responsible business management and control aimed at the sustained creation of value. The principles of corporate governance [31] serve as a basis and guide for employees' conduct in respect of day-to-day management and business operations.

Good corporate governance strengthens the trust of shareholders, business partners, employees, and the general public in our Company. It enhances corporate transparency and underpins the credibility of our organization. In embracing a well-balanced form of corporate governance, the Board of Directors and Supervisory Board endeavor to secure the overall competitiveness of Wincor Nixdorf, reinforce the level of confidence extended by the capital markets and the public in the Company, and raise enterprise value in a sustained manner.

Corporate Governance Statement Pursuant to Section 289a HGB. The Corporate Governance Statement and the Corporate Governance Report have been made publicly available on our website at www.wincor-nixdorf.com [32] under the Investor Relations section. Under Section 317 (2) sentence 3 HGB (German Commercial Code), disclosures issued in accordance with Section 289a HGB (German Commercial Code) shall not be covered by the audit.

Compliance.

What Compliance Means to Us. For Wincor Nixdorf AG, lawful conduct is a key prerequisite for stable and enduring business relationships as well as sustained success with regard to the Company's commercial performance. The Board of Directors therefore regards the issue of compliance as a fundamental management task and has pledged in its compliance statement to respect the law, while expressly acknowledging the importance of lawful, social, and ethical conduct.

Compliance Management System. Wincor Nixdorf has a compliance management system tailored to the requirements of a Group operating at an international level. This system encompasses prevention, detection/control, and response. The system supports the Company's employees in their efforts to insure compliant conduct in day-to-day business. With this in mind, considerable importance is attached to regular compliance training, which is conducted in the form of attended seminars as well as online sessions. The compliance communication program, which includes a quarterly compliance newsletter and a compliance portal on the intranet, also helps to raise awareness among the workforce of the issue of compliance and any associated risks. We are committed to refining our compliance management system on a continual basis in order to adapt it to the changing statutory and commercial factors that are of relevance to our global business activities.

Structure. The compliance organization is headed by the Chief Compliance Officer (CCO), who is assigned to the parent company and reports directly to the Board of Directors and the Audit Committee of the Supervisory Board. The CCO is responsible for implementing and evolving the compliance management system throughout the Group. He is supported by a Group-wide compliance officer system that reflects the structure of our global business operations centered around regions and areas (country groups). It consists of Regional Compliance Officers, Area Compliance Officers, and Local Compliance Officers. They insure that the compliance management system is applied correctly in their respective areas of responsibility and that requisite adjustments are implemented rapidly. A central Compliance Office coordinates all compliance activities throughout the Group and advises employees on key issues.

[31] Glossary: p. 137

Risk Management System for Value-led Corporate Management. Responsible corporate governance is dependent on a properly functioning risk management system [33]. The risk management system implemented by Wincor Nixdorf is geared toward meeting the practical requirements of our business. It is designed to highlight opportunities and risks at an early stage and to help avoid or limit risks where they occur. Further details are provided in the Group Management Report in the section entitled Report on Opportunities and Risks.

[32] www.wincor-nixdorf.com

[33] Risk Management System: p. 80 et seq.

Compensation Report.

The information contained in the compensation report forms an integral part of the Group Management Report. Therefore, the Notes to the Group financial statements include no additional presentation of details discussed as part of the compensation report.

The compensation report outlines the key principles applied when determining remuneration levels for the Board of Directors of Wincor Nixdorf AG. It also describes the structure and level of compensation for the Board of Directors. The report also presents the principles and scope of Supervisory Board compensation.

The compensation report has been prepared in conformity with the recommendations of the German Corporate Governance Code (in the version of June 24, 2014) and includes information which, in accordance with the requirements of German commercial law, amended by the

Act on the Disclosure of Management Board Compensation (Gesetz über die Offenlegung der Vorstandsvergütungen – VorstOG) of August 3, 2005, forms an integral part of the Notes to the Group financial statements pursuant to Section 314 of the German Commercial Code (Handelsgesetzbuch – HGB) and the Group Management Report pursuant to Section 315 HGB.

System of Compensation for the Board of Directors.

The Supervisory Board of Wincor Nixdorf AG, acting on the recommendations of its Personnel Committee, which deals with the employment contracts of members of the Board of Directors, determines the overall level of compensation for each member of the Board of Directors. Additionally, it regularly reviews and makes decisions relating to the compensation system for the Board of Directors, as well as the appropriateness of the total compensation payable to each member of the Board of Directors, including all significant elements within the contract. The requirements of the Act on the Appropriateness of Management Board Compensation (Gesetz zur Angemessenheit der Vorstandsvergütung – VorstAG) dated July 31, 2009, have been met with regard to existing employment contracts and to the extension of employment contracts with members of the Board of Directors.

The compensation of members of the Board of Directors of Wincor Nixdorf AG is determined on the basis of the Company's size and global presence, its economic and financial situation, as well as the level and structure of management board compensation offered by similar companies based in Germany and abroad. In addition, the duties, contribution, and performance of each member of the Board of Directors are taken into account. The level of compensation is designed to be competitive within the market for highly qualified executives and to provide incentives for successful work that contributes in turn to the organization's sustained development as part of a high-performance culture. Wincor Nixdorf AG regularly takes part in remuneration reviews relating to both its own industry and other MDAX enterprises, with the express purpose of ensuring horizontal comparability of Board of Director compensation. Furthermore, when determining compensation levels for its Board of Directors, the payscale and remuneration system within the Wincor Nixdorf Group are taken into account (verticality).

The remuneration of the Board of Directors is focused on performance and comprises the four components described below:

1. Fixed basic salary plus fringe benefits
2. Variable compensation (bonus) dependent on the attainment of specific targets (short-term performance-based component)
3. Share-based compensation (long-term incentive component)
4. Pension commitment

Within this context, the fixed basic salary, the fringe benefits, and the pension commitment represent non-performance-based components. The fixed basic salary is payable in monthly installments of equal amounts. The fringe benefits mainly comprise contributions made to accident and liability insurance policies as well as the provision of a company car. Additionally, all members of the Board of Directors of Wincor Nixdorf AG are entitled to retirement benefits, as described in detail in the section entitled Pension Commitments.

Variable, performance-based compensation payable in the form of a bonus is dependent on the attainment of specific targets defined within the respective employment contracts. These targets are set on the basis of EBITDA (earnings before interest, taxes, depreciation, and amortization) and Group net income. Each target receives the same weighting and is settled separately. If the agreed budget per target is met in full (100%), the member of the Board of Directors receives 100% of his/her annual fixed basic salary as a bonus. If the Board member falls short of the agreed budget by a maximum of 20%, the bonus is reduced on a straight-line basis. If the specified targets are met to an extent equivalent to 80%, the member of the Board of Directors receives 25% of the agreed bonus. If the level of target attainment remains below 80% with regard to one of the two targets, the entitlement to a bonus payment is no longer applicable; in this case, the Supervisory Board must decide, as in duty bound, on the granting of a bonus and the possible extent of such a bonus. If the level of target attainment reaches 120%, the associated bonus rises to 175% of the applicable fixed basic salary of the board member in question. In accordance with contractual requirements, variable compensation may be equivalent to a maximum of 200% of the respective fixed annual basic salary. All targets are focused on increasing enterprise value. The targets to be applied as a basis for calculating the bonus amounts payable for fiscal 2013/2014 were defined at the Supervisory Board meeting of September 25, 2013. The bonus is payable in December following adoption of the Group financial statements by the Supervisory Board.

Members of the Board of Directors receive share options as a form of compensation with a long-term incentive effect. For each member of the Board of Directors, the share-based compensation as a long-term incentive component should lie between 30% and 40% of target annual income. The remainder should be derived from the member's fixed annual salary and pension commitment (35% – 50%) and from variable compensation (20% – 35%) (bonus). Full details are established by the Supervisory Board.

The non-performance-based and short-term, performance-based components of compensation are itemized below and relate to all duties performed by the members of the Board of Directors within the Group:

€

	Non-performance-based				Performance-based		Total	
	Fixed basic salary		Fringe benefits					
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
Eckard Heidloff	700,000.00	625,000.00	30,267.24	34,899.63	711,805.00	917,900.00	1,442,072.24	1,577,799.63
Dr. Jürgen Wunram	500,000.00	450,000.00	25,168.24	20,909.64	508,475.00	655,600.00	1,033,643.24	1,126,509.64
Jens Bohlen[1)]	350,000.00	262,500.00	22,915.61	16,743.92	354,439.37	344,200.00	727,354.98	623,443.92
Olaf Heyden[2), 3)]	350,000.00	145,833.35	23,393.79	158,362.01	352,488.51	191,200.00	725,882.30	495,395.36
Total	**1,900,000.00**	**1,483,333.35**	**101,744.88**	**230,915.20**	**1,927,207.88**	**2,108,900.00**	**3,928,952.76**	**3,823,148.55**

[1)] Member of the Board of Directors since January 1, 2013.
[2)] Member of the Board of Directors since May 1, 2013.
[3)] Fringe benefits for 2012/2013 include a compensatory item in respect of disadvantages associated with previous long-term compensation.

The performance-related payments for the fiscal years shown in the table take into account differences between the accrued amounts at the corresponding reporting dates and the amounts actually paid out in the subsequent periods.

Share-based Compensation (Long-term Incentive Component).

Since fiscal 2010/2011 (2011 share option program), the number of share options granted to members of the Board of Directors is no longer based on individual, contractually fixed numbers; the number is now calculated on the basis of the planned ratio of long-term incentive components to the member's target annual income. In accordance with the requirements of the Act on the Appropriateness of Management Board Compensation (Gesetz zur Angemessenheit der Vorstandsvergütung – VorstAG), the vesting period for share options is four years. Please refer to Note [16] in the Notes to the Group financial statements for full details about the range of exercise prices, the remaining term of the respective options, the average exercise price of the share options during the exercise period, as well as the conditions of option grant and exercise associated with the share-based payment programs.

In addition to the performance target stipulated for other beneficiaries under the program (exercise price per share equals the initial value plus 12%), a further condition applies to the exercise of share options held by members of the Board of Directors and has an impact on the long-term incentive component. The number of share options of the annual tranche granted to members of the Board of Directors is calculated at the start in such a way that a member can only achieve the full amount from this component of the overall compensation package, i.e., 100% of the planned sum from the long-term incentive component, if the share appreciates in value (total shareholder return) by an average of 6% per year over the entire four-year term of the share option. Share performance is calculated in terms of movements in the share price and the dividend (dividend yield). Once the number of share options has been calculated in this way, it can no longer be changed.

If share performance is below an annual average of 6% over the entire four-year vesting period for the share option, this will produce a lower figure for this component of the member's compensation package. If share performance is above an annual average of 6% over the entire four-year vesting period for the share option, this will produce a higher figure for this component of the member's compensation package. The contracts of members of the Board of Directors contain appropriate provisions to insure that the amount actually received by a member in respect of the long-term incentive component does not unduly exceed the planned compensation from this component of the overall package. A subsequent adjustment is possible if three times the amount of a board member's planned annual compensation is exceeded when viewed over a five-year period.

On this basis, the figures relating to each member of the Board of Directors from long-term incentive components are as follows:

			Black-Scholes-Merton option pricing model	
	Amount of target annual income attributable to long-term incentive component[1]	Number of share options	Value per share option[2]	Total value of compensation component with long-term incentive effect[2]
Eckard Heidloff	700,000.00	87,364	7.58	662,219.12
Dr. Jürgen Wunram	500,000.00	62,403	7.58	473,014.74
Jens Bohlen	350,000.00	43,682	7.58	331,109.56
Olaf Heyden	350,000.00	43,682	7.58	331,109.56
Total	**1,900,000.00**	**237,131**	**–**	**1,797,452.98**

[1] Target value in €.
[2] in €, on date granted.

The total value of the share options at the date of granting was determined by means of the Black-Scholes-Merton options pricing model. Thus, the reported value of share-based compensation is merely to be seen as an amount derived from mathematical calculations. Whether the share-based compensation components associated with the current 2011 to 2014 programs result in a payment, and if so, to what extent, will depend on the future performance of the Company's share price and the stock market price applicable during the exercise period.

The table below details the share options held as at September 30, 2014, by each member of the Board of Directors under each share-based payment program:

Units

	2014	2013	2012	2011	Total
Eckard Heidloff	87,364	127,398	122,111	81,666	418,539
Dr. Jürgen Wunram	62,403	90,999	87,222	58,333	298,957
Jens Bohlen	43,682	63,699	17,445	11,667	136,493
Olaf Heyden	43,682	0	0	0	43,682
Total	**237,131**	**282,096**	**226,778**	**151,666**	**897,671**

The share options are not exercisable as of September 30, 2014.

The share options allocated as part of the 2010 share option program were exercised at an average share price of €54.91 in the period under review. In total, the Board of Directors exercised 114,000 share options; of this total, 60,000 share options were attributable to Eckard Heidloff, 44,000 to Dr. Jürgen Wunram, and 10,000 to Jens Bohlen. The 2010 share option program was serviced in each case by treasury shares; they continue to be held by the respective members of the Board of Directors as of September 30, 2014.

The personnel expenses recognized in connection with the share-based payment programs from 2011 to 2014 are distributed among the board members as follows:

€

	2013/2014	2012/2013
Eckard Heidloff	640,131.23	583,160.16
Dr. Jürgen Wunram	457,237.53	419,017.72
Jens Bohlen	193,457.66	107,237.02
Olaf Heyden	36,753.16	0.00
Total	**1,327,579.58**	**1,109,414.90**

Pension Commitments.

The retirement benefit system in place for the respective members of the Board of Directors is based on a one-time payout or installment payments. They are entitled to the pension payments when reaching the age of sixty. However, should a member remain on the Board of Directors in an active capacity beyond this period, the receipt of retirement benefits will only be possible as from the end of his/her employment contract as a member of the Board of Directors.

The pension benefits awarded to members of the Board of Directors at the end of the reporting period and the allocations made to retirement accruals are as follows:

€

	Retirement Capital			
	Total		Allocations in fiscal year	
	Sept. 30, 2014	Sept. 30, 2013	2013/2014	2012/2013
Eckard Heidloff	1,122,485.00	983,795.00	126,082.00	126,082.00
Dr. Jürgen Wunram	976,200.00	861,200.00	100,000.00	100,000.00
Jens Bohlen	195,979.00	133,479.00	50,000.00	37,500.00
Olaf Heyden	110,225.00	45,000.00	50,000.00	20,833.33
Total	**2,404,889.00**	**2,023,474.00**	**326,082.00**	**284,415.33**

The table shows the one-time payout entitlements that members of the Board of Directors would receive when reaching the age of sixty, on the basis of the entitlements accumulated up to the end of each fiscal year, as well as the entitlement acquired in each fiscal year that was allocated to pension accruals as service costs. In the event that the respective members continue to hold a position on the Board of Directors, the actual pensions and/or one-time payout benefits will be higher than those presented in the table, particularly as a result of future financing contributions. The allocations to retirement capital, as listed in the table, will occur in the same amount in subsequent years until the end of the respective contracts for the members of the Board of Directors and will bear interest of 3.5% per annum.

Miscellaneous.

There were no loan arrangements with members of the Board of Directors in fiscal 2013/2014 or 2012/2013. Furthermore, no benefits of a similar nature were granted.

If the service of a member of the Board of Directors is terminated for good cause, either because (in accordance with Section 626 of the German Civil Code (BGB)) the Company cancels that person's service contract before completion of the period of office, or the member in question resigns or because that member is removed for good cause as defined by Section 84 (3) of the German Stock Corporation Act (Aktiengesetz – AktG), under the terms of the service contracts for the Board of Directors he/she will continue to receive his/her previous fixed basic salary but no further variable compensation.

In the event that a member's period of office is terminated early without good cause, the service contracts of the members of the Board of Directors include a reference to the provisions of Section 4.2.3 (4) of the German Corporate Governance Code (DCGC) and stipulate a settlement payment as outlined in the Code. This payment is limited to a maximum of two years' annual compensation including fringe benefits (severance pay cap) and compensates no more than the remaining term of the employment contract.

In the event of permanent incapacity to perform his/her duties, a member of the Board of Directors will continue to receive his/her fixed basic salary in monthly installments for a period of up to 18 months; additionally, bonus entitlements will be paid (to the extent that the targets are attained) for six months from onset of the illness or the incapacity.

Members of the Board of Directors receive no compensation for positions held within Group entities.

The contracts for the Board of Directors do not contain any provisions concerning the termination of the contract in the event of a change of control.

Remuneration of Former Members of the Board of Directors.

In fiscal 2013/2014, the total emoluments received by former members of the Board of Directors and their surviving dependents amounted to €119k in total (2012/2013: €118k). Provisions in the amount of €2,994k (2012/2013: €2,671k) have been recognized in connection with pension obligations towards former members of the Board of Directors and their surviving dependents.

System of Compensation for the Supervisory Board.

Supervisory Board compensation is determined on the basis of the size of the enterprise, the duties and responsibilities of Supervisory Board members, and the economic situation of the Company. The provisions relating to Supervisory Board compensation are specified in Section 12 of the Articles of Association of Wincor Nixdorf AG, which was most recently amended on the basis of a resolution passed by the Annual General Meeting of Shareholders on January 29, 2007, and came into force upon entry in the Commercial Register on March 14, 2007. According to these provisions, the members of the Supervisory Board receive a fixed amount of €30,000 as annual compensation, payable after the end of the fiscal year. In the case of the Chairperson of the Supervisory Board, compensation is equivalent to three times the annual amount, and in the case of his/her deputy, one and a half times the annual amount. The Chairperson of the Audit Committee also receives one and a half times the annual amount of compensation. Members of the Supervisory Board whose appointment to the board or to one of the above-mentioned functions is limited to part of the fiscal year shall receive proportionate compensation for each month commenced. In addition to annual compensation, the members of the Supervisory Board receive an attendance allowance of €3,000 per day for meetings of the Supervisory Board and of the committees to which they are appointed. If a meeting of the Supervisory Board attended by the member coincides with a meeting of one of the Supervisory Board's committees, the attendance allowance is paid for only one such meeting.

The remuneration of individual members of the Supervisory Board of Wincor Nixdorf AG is shown in the following table:

€

	Annual compensation		Attendance allowances		Total	
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
Dr. Alexander Dibelius (Chairman since January 21, 2013)	90,000.00	75,000.00	18,000.00	30,000.00	108,000.00	105,000.00
Michael Schild* (Deputy Chairman)	45,000.00	45,000.00	18,000.00	30,000.00	63,000.00	75,000.00
Prof. Dr. Achim Bachem	30,000.00	30,000.00	18,000.00	24,000.00	48,000.00	54,000.00
Prof. Dr. Edgar Ernst (Chairman of Audit Committee)	45,000.00	45,000.00	18,000.00	27,000.00	63,000.00	72,000.00
Dr. Dieter Düsedau (since January 20, 2014)	22,500.00	0.00	12,000.00	0.00	34,500.00	0.00
Gabriele Feierabend-Zaljec*	30,000.00	30,000.00	18,000.00	24,000.00	48,000.00	54,000.00
Walter Gunz (up to January 20, 2014)	10,000.00	30,000.00	9,000.00	24,000.00	19,000.00	54,000.00
Hans-Ulrich Holdenried	30,000.00	30,000.00	18,000.00	21,000.00	48,000.00	51,000.00
Volker Kotnig*	30,000.00	30,000.00	18,000.00	30,000.00	48,000.00	60,000.00
Thomas Meilwes*	30,000.00	30,000.00	18,000.00	24,000.00	48,000.00	54,000.00
Zvezdana Seeger (since January 21, 2013)	30,000.00	22,500.00	18,000.00	12,000.00	48,000.00	34,500.00
Martin Stamm*	30,000.00	30,000.00	18,000.00	24,000.00	48,000.00	54,000.00
Karl-Heinz Stiller (Chairman up to January 21, 2013)	0.00	30,000.00	0.00	15,000.00	0.00	45,000.00
Carmelo Zanghi*	30,000.00	30,000.00	15,000.00	24,000.00	45,000.00	54,000.00
Total	**452,500.00**	**457,500.00**	**216,000.00**	**309,000.00**	**668,500.00**	**766,500.00**

* Employee representatives.

Takeover-related Disclosures.

Disclosures Relating to Capital, Voting Rights, and Appointment of Members of the Board of Directors.

As the parent company of the Wincor Nixdorf Group, Wincor Nixdorf AG utilizes an organized market as defined by Section 2 (7) WpÜG (German Securities Acquisition and Takeover Act) through the Company's issued shares with voting rights and, therefore, reports pursuant to Section 315 (4) HGB (German Commercial Code).

As of September 30, 2014, the share capital of Wincor Nixdorf AG is €33,084,988.00, divided into 33,084,988 no-par-value shares ("Stückaktien" governed by German law).

Each share is furnished with the same rights and has one vote at the Annual General Meeting (AGM). The Board of Directors is not aware of any restrictions to the voting rights of individual shares. The Company's employee share ownership plans include time-related restrictions for a small number of shares, e.g., in the case of lock-up periods.

The Company is not aware of any direct or indirect equity interests that exceed 10% of the voting rights. The shares do not confer any special rights with controlling powers. Furthermore, there is no control over voting rights in those cases in which employees hold a share in equity.

Rules for the appointment and removal of members of the Board of Directors are laid out in Sections 84 and 85 AktG (German Stock Corporation Act), which stipulate that members of the Board of Directors shall be appointed by the Supervisory Board for a maximum period of five years. After each period of office, members may be reappointed or their period of office extended for a further maximum period of five years. According to Section 5 of the Articles of Association, the number of members of the Board of Directors is determined by the Supervisory Board; the Board of Directors must consist of at least two members.

The Articles of Association may only be amended by the AGM (Section 179 (1) Sentence 1 AktG). Pursuant to Section 13 of the Articles of Association, the Supervisory Board may only amend and decide on the wording of the Articles of Association. In accordance with Section 18 (1) of the Articles of Association, resolutions of the AGM may be passed by a simple majority of the votes cast in the absence of a mandatory provision of the law stipulating otherwise. In cases where the law requires a majority of the share capital represented at the time of voting, a simple majority of the share capital represented will suffice in the absence of a mandatory provision of the law stipulating otherwise.

Authorization of the Board of Directors to Buy Back Shares in the Company.

In the period from January 25, 2011, up to and including January 24, 2016, the Company is authorized to purchase the Company's own shares, also known as treasury shares, with the consent of the Supervisory Board, up to a total of 10% of the current share capital at the time of the resolution or – if this value is lower – at the time of the exercising of this authorization. In doing so, the shares acquired due to this authorization together with other shares of the Company that it has already acquired and still possesses or are assigned to it pursuant to Sections 71d, 71e AktG (German Stock Corporation Act) may not exceed 10% of the respective share capital at any time. The authorization can be exercised for any legally permissible purpose; however, the Company may not trade in its own shares. The Company may purchase the shares on the stock exchange or by means of a public offering extended to all shareholders. The shares may also be acquired by the Company's dependent companies within the meaning of Section 17 AktG (German Stock Corporation Act) or companies in which the Company is the majority shareholder within the meaning of Section 16 (1) AktG (German Stock Corporation Act) or, for its or their account, by third parties. In the event of acquisition via the stock exchange, the consideration paid by the Company for the acquisition of each share (without expenses incidental to the acquisition) shall not exceed or be below the share price by more than 10%. The applicable share price within the meaning of the foregoing provision in case of acquisition on the stock exchange shall be the price determined on the day of the trade in the opening auction of a share of the Company of the same class with the same rights in XETRA trading (or a system replacing XETRA) on the Frankfurt Stock Exchange.

The Board of Directors is authorized to use the shares for all legally permissible purposes, in particular to sell them through the stock exchange or by making a public offering to all shareholders. The shareholders have no subscription right in the event of a sale through the stock exchange. In the event of a sale by means of public offering, the Board of Directors is authorized, with the consent of the Supervisory Board, to exclude subscription rights for the shareholders for fractional amounts. The Board of Directors is further authorized, with the consent of the Supervisory Board, to effect a sale of the Company's acquired own shares in a manner other than through the stock exchange or by making a public offering to all shareholders, provided the acquired own shares are sold for cash at a price not substantially lower than the stock market price for Company shares of the same class with the same rights on the date of such sale. However, this authorization shall only apply under the condition that the shares sold in this manner may not exceed an aggregate of 10% of the Company's share capital at the time of such resolution or – if this is lower – at the time of the exercising of this authorization. In calculating this 10% limit, all shares issued after this authorization from authorized capital excluding subscription rights in accordance with Section 186 (3) Sentence 4 AktG (German Stock Corporation Act) and options or conversion rights for Company shares granted after this authorization if the grant excludes subscription rights in accordance with Section 186 (3) Sentence 4 AktG shall be taken into account.

The shares can also be purchased using put or call options or forward purchase agreements (jointly: "derivatives"). The Company is authorized to sell options to third parties, which obligates the Company to purchase shares of the Company upon exercising the option (put option), to purchase options that give the Company the right to purchase shares of the Company upon exercising the option (call option), and to purchase shares of the Company using a combination of put and call options. These respective option conditions must insure that the Company is only provided with shares that it has purchased while upholding the principle of equality in treatment (Section 53a AktG). All purchases of shares using derivatives are restricted to a maximum of 5% of the existing share cap-

ital at the time of the resolution of the Annual General Meeting regarding this authorization or – if this is lower – at the time of exercising this authorization. The terms of the derivatives must end, at the latest, on January 24, 2016. Within this context, the term of an individual derivative may in each case not exceed 18 months. The option premiums paid by the Company for call options and received by the Company for put options may not be significantly higher and/or lower than the theoretical market value determined by recognized financial mathematical methods of the respective option; the agreed-upon exercise price is to be taken into consideration as part of the aforementioned calculation. The purchase price per share of the Company to be paid upon exercising the option and/or to be paid at the due date of the forward purchase agreements may not exceed the average price of the Company's shares of the same class with the same rights in the closing auction of XETRA trading (or a system replacing XETRA) on the Frankfurt Stock Exchange over the last three trading days prior to the day of the conclusion of the relevant option and/or forward purchase agreement by more than 10%, or fall short of this by more than 20% (respectively without ancillary purchase costs, but taking the option premium received and/or paid into account). The option transactions must be concluded respectively with an independent bank or independent financial institution at conditions close to the market.

Shareholders' subscription rights with respect to the Company's treasury shares shall be excluded in the following cases:

- Where the Company uses its treasury shares under the terms of a business combination or the (direct or indirect) acquisition of equity holdings with the consent of the Supervisory Board.

- Where the treasury shares are used to fulfill obligations in relation to stock options under the Company's stock option programs.

- Where the treasury shares are used to fulfill conversion rights or obligations in relation to participatory certificates with warrants and/or convertible participatory certificates and/or convertible bonds and/or bonds with warrants and/or income bonds issued by the Company or by the Company's dependent Group companies with the consent of the Supervisory Board.

Authorizations of the Board of Directors to Issue Shares.

1. Authorized Capital I 2014 Pursuant to Section 4 (5) of the Articles of Association: The Board of Directors has been authorized to increase share capital, with the Supervisory Board's approval, by up to €16,542,494.00 (in words: sixteen million five hundred and forty-two thousand four hundred and ninety-four euros) (Authorized Capital 2014) through the issue, for cash and/or non-cash contributions, of new bearer shares under single or multiple initiatives up to January 19, 2019. Shareholders must be granted a right of subscription. However, the Board of Directors is authorized, with the consent of the Supervisory Board, to exclude fractional amounts from shareholders' subscription rights. The Board of Directors is also entitled, subject to the consent of the Supervisory Board, to exclude shareholders' subscription rights where the issue price does not lie significantly below the current stock market trading price. This authorization shall only apply subject to the condition that the total shares issued without shareholder subscription rights, in accordance with Section 186 (3) Sentence 4 AktG (German Stock Corporation Act), may not exceed 10% of the share capital at the time of the resolution. The aforementioned limit of 10% of share capital shall take into account all shares and rights granting an entitlement to subscribe shares in the Company that have been issued or sold under exclusion of subscription rights pursuant to or in accordance with Section 186 (3) Sentence 4 AktG (German Stock Corporation Act) since the aforementioned authorization was granted, i.e., since January 20, 2014. Furthermore, the Board of Directors is authorized to exclude shareholders' subscription rights with the prior consent of the Supervisory Board when issuing shares for non-cash contributions for the purpose of acquiring (including indirect acquisitions) entities, parts of entities, or equity interests in entities; in this case, the exclusion of subscription rights shall be limited to no more than 20% of the share capital of the Company at the time of the resolution or, if this figure is lower, at the time of the exercising of this authorization.

In addition, the aforementioned authorizations regarding the exclusion of subscription rights shall only apply subject to the condition that the proportion of shares issued since the granting of this authorization, i.e., since January 20, 2014, on the basis of this or other authorizations for the issuance or sale of shares in the Company or rights granting an entitlement to subscribe shares in the Company under exclusion of subscription rights pursuant to or in accordance with Section 186 (3) AktG (German Stock Corporation Act) do not exceed a total of 20% of share capital existing at the time of the resolution or, if this figure is lower, at the time of the exercising of this authorization. The Board of Directors is also authorized, with the consent of the Supervisory Board, to determine

the additional rights attaching to the shares and the terms and conditions of the share issue. The Supervisory Board shall be authorized to adapt the wording of the Articles of Association after a complete or partial increase in the Company's share capital on the basis of Authorized Capital 2014 or after expiry of the period of authorization to reflect the extent of the capital increase executed on the basis of Authorized Capital 2014.

2. Contingent Capital I 2014 Pursuant to Section 4 (7) of the Articles of Association: The share capital is conditionally increased by up to €1,654,249.00 (in words: one million six hundred and fifty-four thousand two hundred and forty-nine euros), divided into up to 1,654,249 bearer shares (Contingent Capital I 2014). This contingent capital increase is to be used exclusively to cover stock options issued to members of the Company's Board of Directors, board members of subordinate associated companies within and outside of Germany and to other executives and employees of the Company and its subordinate associated companies as detailed in the provisions of the authorization resolved by the AGM on January 20, 2014. It shall only be implemented to the extent that holders of share options exercise their right to subscribe shares in the Company and the Company does not provide the consideration in cash or with its own shares. The new shares shall carry dividend rights from the beginning of the fiscal year in which they are issued. If they are issued before the ordinary AGM, the new shares shall be entitled to dividends for the previous fiscal year as well.

3. Contingent Capital II Pursuant to Section 4 (8) of the Articles of Association: The share capital is conditionally increased by up to €10,000,000.00, divided into a maximum of 10,000,000 bearer shares (Contingent Capital II). The Contingent Capital increase shall be used for the purpose of granting option rights or option obligations, in accordance with the option conditions, to the holders of warrants from participatory certificates with warrants and/or bonds with warrants or to grant conversion rights or conversion obligations, in accordance with the conversion conditions, to the holders of convertible participatory certificates and/or convertible bonds that are issued by the Company or a dependent Group entity of the Company within the meaning of Section 17 AktG (German Stock Corporation Act) by January 20, 2018, pursuant to the authorization adopted by the Annual General Meeting on January 21, 2013, under item 7, letter a). The new shares shall be issued at the option or conversion price to be defined in accordance with the above authorization adopted. The increase in Contingent Capital shall be carried out only if the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds are issued and only insofar as the holders of the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds make use of their option or conversion rights or holders of participatory certificates or bonds who are obliged to convert them or exercise their option fulfill their obligation to convert them or exercise their option and the Contingent Capital is required in accordance with the conditions of the participatory certificates with warrants or convertible participatory certificates or bonds with warrants or convertible bonds. The new shares issued pursuant to exercise of the option or conversion right shall carry dividend rights from the beginning of the fiscal year in which they are issued. If they are issued before the ordinary AGM, the new shares shall be entitled to dividends for the previous fiscal year as well. The Board of Directors shall be authorized, with the consent of the Supervisory Board, to define the further details of the contingent capital increase. The Supervisory Board is further authorized to amend the wording of Section 4 (8) of the Articles of Association in accordance with the respective issue of shares and make all connected adaptations to the Articles of Association that only relate to the wording. The same shall apply if the authorization to issue participatory certificates with warrants or convertible participatory certificates or bonds with warrants or convertible bonds is not used after expiry of the period of authorization and if the Contingent Capital is not used after expiry of the periods for exercising option or conversion rights.

Authorization to Issue Participatory Certificates with Warrants and/or Convertible Participatory Certificates, Bonds with Warrants, Convertible Bonds and/or Income Bonds and to Exclude Subscription Rights.

The Board of Directors was authorized by the AGM on January 21, 2013, with the consent of the Supervisory Board, once or several times up to January 20, 2018,

- to issue bearer participatory certificates (i) to which bearer participatory certificates with warrants are attached or (ii) that are attached to a conversion right for the holder for a maximum term of 20 years as of their issue, and to grant option rights to the holders of participatory certificates with warrants and conversion rights to the holders of convertible participatory certificates to bearer shares in the Company, as detailed by the conditions of the participatory certificates with warrants or convertible participatory certificates

  and instead of or in addition

- to issue bearer bonds with warrants and/or bearer convertible bonds and/or bearer income bonds (hereinafter referred to jointly as "bonds with warrants and/or convertible bonds") with a maximum term of 20 years and to grant option rights to the holders of

bonds with warrants and conversion rights to the holders of convertible bonds to bearer shares in the Company, as detailed by the conditions of the bonds with warrants or convertible bonds.

The aggregate principal amount of the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds to be issued under this authorization shall not exceed €500,000,000.00. Option rights or conversion rights shall only be issued in respect of shares of the Company with a proportionate amount of share capital of up to €10,000,000.00 in total.

As well as in euros, the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds can also be issued in the legal currency of an OECD country, limited to the corresponding value in euros, calculated on the basis of the euro reference rate of the European Central Bank on the day of the resolution regarding the issuance. They can also be issued by a dependent Group entity of the Company within the meaning of Section 17 AktG (German Stock Corporation Act); in this case, the Board of Directors is authorized, with the consent of the Supervisory Board, to give a guarantee for participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds on behalf of the Company and to grant option rights or conversion rights to bearer shares in the Company to holders of participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds. The bonds with warrants and/or convertible bonds can also be issued in exchange for contributions in kind or the granting of rights.

The participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds shall be offered for subscription to the shareholders. They may also be taken up by a bank or a consortium of banks, with the proviso that said shares shall be offered to shareholders for subsequent subscription. Companies operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) KWG (German Banking Act) are equivalent to banks. If participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds are issued by dependent Group companies of the Company within the meaning of Section 17 AktG (German Stock Corporation Act), the Company shall ensure that shareholders of the Company are granted the statutory subscription right in accordance with the above sentences. The Board of Directors shall be authorized, with the consent of the Supervisory Board, to exclude the subscription right of shareholders, to utilize fractions;

- insofar as this is necessary so that holders of previously issued option or conversion rights can be granted a subscription right to new participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds to the extent to which they would be entitled after exercising the option or conversion rights as shareholders;

- insofar as the issue takes place in exchange for cash payment, the shares of the Company to be issued in respect of conversion and/or option rights do not exceed a total of 10% of the share capital of the Company – neither at the time of the entering into force of this authorization nor at the time of its execution –, and the issue price of the participatory certificates with warrants and/or convertible participatory certificates and/or convertible bonds or bonds with warrants is not significantly below the theoretical market value of the participatory certificates and/or bonds, as determined according to recognized financial mathematical methods; as regards the aforementioned 10% threshold, all shares that are issued or sold on the basis of other existing authorizations or authorizations resolved by this AGM to issue or sell shares of the Company under the exclusion of the subscription right pursuant to or in corresponding application of Section 186 (3) sentence 4 AktG (German Stock Corporation Act) shall be taken into account;

- if and insofar as the participatory certificates with warrants and/or convertible participatory certificates and/or convertible bonds and/or bonds with warrants are issued in exchange for contributions in kind, in particular to acquire entities, parts of entities, or equity interests in entities (including an increase in the stake) or for carrying out a business combination.

The above authorizations to decide on exclusion of the subscription right of shareholders shall be granted independently of each other.

Conversion and/or option rights to shares up to a total of 20% of the share capital only shall be granted on the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds issued on the basis of one of the above authorizations with exclusion of the subscription right of shareholders; in calculating the above maximum amount, all shares that are issued or disposed of on the basis of other existing authorizations or authorizations adopted by this AGM to issue or dispose of shares in the Company with the exclusion of the subscription right pursuant to, or in application mutatis mutandis of, Section 186 (3) AktG (German Stock Corporation Act) shall be taken into account.

Moreover, the above authorizations to decide on excluding the subscription right of shareholders shall not affect the authorization to issue the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds with granting of a subscription right to shareholders or to a bank or a consortium of banks, linked to the obligation to offer them for subscription to shareholders.

If participatory certificates with warrants and/or bonds with warrants are issued, each participatory certificate or each bond shall have attached one or more warrants that authorize the holder to subscribe to bearer shares in the Company as detailed by the option conditions to be defined by the Board of Directors. For participatory certificates with warrants and/or bonds with warrants denominated in euros and issued by the Company or by dependent Group companies of the Company within the meaning of Section 17 AktG (German Stock Corporation Act), the option conditions can stipulate that the option price may also be settled by the transfer of participatory certificates or bonds and, if applicable, an additional cash payment. In this case, the pro rata amount of the share capital for shares to be subscribed to for each participatory certificate or bond shall not exceed the principal amount of the participatory certificate with warrants or bond with warrants. The price at which the shares are acquired shall correspond to at least 90% of the arithmetic mean of the closing prices of shares in the Company in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor) on the last five days of stock market trading before the resolution by the Board of Directors on defining the option price. If there are fractions of new shares, it is possible to stipulate that these fractions can be added up in accordance with the option conditions, if applicable with an additional cash payment, so that full shares can be acquired.

If convertible participatory certificates and/or convertible bonds are issued, the holders shall obtain the non-retractable right to convert the participatory certificates or bonds into bearer shares in the Company in accordance with the conversion conditions to be defined by the Board of Directors. The conversion ratio shall be derived by dividing the principal amount or the issue amount below the principal amount of a participatory certificate or bond by the set conversion price for a share in the Company and can be rounded up or down to a full number; furthermore, an additional cash payment and pooling of, or compensation for, fractions that cannot be converted may be defined. The conversion price shall correspond to at least 90% of the arithmetic mean of the closing prices of shares in the Company in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor) on the last five days of stock market trading before the resolution by the Board of Directors on defining the conversion price.

Notwithstanding Section 9 (1) AktG (German Stock Corporation Act), the option or conversion price can be reduced pursuant to a dilution protection clause as detailed in the conditions for the participatory certificates with warrants and/or convertible participatory certificates or the conditions for the convertible bonds or bonds with warrants if, during the option of conversion period, the Company increases the share capital and grants an exclusive subscription right to its shareholders or by means of a capital increase from company funds or issues further participatory certificates with warrants or convertible participatory certificates or bonds with warrants or convertible bonds or grants or guarantees option or conversion rights or obligations and the holders of existing option or conversion rights or obligations are not granted thereto any subscription right as they would be entitled to after exercising the option or conversion right or fulfilling the option or conversion obligation. Reduction of the option or conversion price can also be effected by a cash payment when the option or conversion right is exercised or when the option or conversion obligation is fulfilled or by reducing the additional payment. The conditions of the option rights or obligations or participatory certificates with warrants or convertible participatory certificates or bonds with warrants or convertible bonds can also stipulate adjustment of the option or conversion rights or option or conversion obligations in the event of a capital reduction, restructuring, extremely high dividends, a third party gaining control of the Company or comparable measures. In all these cases, the adjustment shall be made in conformity to Section 216 (3) AktG (German Stock Corporation Act) so that the economic value of the conversion or option rights or obligations following the adjustment essentially corresponds to the economic value of the conversion or option rights or obligations directly before the measures that initiated the adjustment. If a third party gains control of the Company, adjustment of the option or conversion price in line with market practice can be provided for.

The bond or option conditions can stipulate that the Company has the right not to grant new shares when the conversion or option right is exercised, but to pay a cash amount for the number of shares that would otherwise have to be provided that corresponds to the mean closing price of shares in the Company, not weighted by volume, in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor) over the last ten days of stock market trading before notice of exercise of the conversion or option right is given. The conditions for participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds can also stipulate that the participatory certificates with warrants and/or convertible participatory certificates or bonds with warrants or convertible bonds can, at the discretion of the Company, be converted

to existing shares instead of new shares of the Company from Contingent Capital or that the option right or option obligation can be fulfilled by providing such shares.

The conditions for participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds may also provide for a conversion or option obligation at the end of the term or at another time or give the Company the right, upon final maturity of the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds, to grant the participatory certificate and/or bond creditors shares in the Company in full or in part instead of payment of the due cash amount. In the latter case, the option or conversion price can correspond to the mean price of the Company's shares, not weighted by volume, in the closing auction in electronic trading on the Frankfurt Stock Exchange over the last five days of stock market trading before the final maturity date, as detailed by the conditions for participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds. Section 9 (1) in conjunction with Section 199 (2) AktG (German Stock Corporation Act) shall be observed.

The interest on the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds may be variable. In addition, it can be dependent on key profit ratios of the Company and/or the Group (including the distributable profit or the dividend for Company shares set by the resolution on appropriation of profit). In this case, the participatory certificates and/or bonds do not have to be assigned a conversion and/or option right. Moreover, a subsequent payment for benefits/payments not provided in previous years can be specified.

The Board of Directors is authorized, with the consent of the Supervisory Board, to define the additional details relating to the issue and rights of the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds, in particular the rate of interest, issue price, term and denomination, dilution protection provisions, the option or conversion period, and the option and conversion price or in agreement with the boards of the Company's investee issuing the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds.

Significant Agreements in the Event of a Takeover Offer.

Wincor Nixdorf AG has not entered into any significant agreements that are contingent on a change of control of the Company following a takeover offer. The sole exceptions are as follows: On December 13, 2011, followed by an amending agreement dated February 17, 2014, Wincor Nixdorf AG and its subsidiary Wincor Nixdorf International GmbH agreed a revolving credit facility with a term up to December 12, 2018, with German and international banks as the consortium partners. Additionally, on December 18, 2013, Wincor Nixdorf AG and its subsidiary Wincor Nixdorf International GmbH concluded a loan agreement, for a term up to September 30, 2019, with the European Investment Bank relating to development investments. In both cases, the participating banks are entitled to revoke their agreements to provide credit if more than 50% of the shares in Wincor Nixdorf AG are held directly or indirectly by one person or by a group of persons acting jointly, as defined by Section 2 (5) WpÜG. The banks are also entitled to cancel the agreement if this person or group of persons can determine over half of the members of the Board of Directors or of the shareholders' representatives on the Supervisory Board, or if Wincor Nixdorf AG is included in the Group financial statements of this person or group of persons.

There are currently no agreements between Wincor Nixdorf AG and members of the Board of Directors or employees for the payment of compensation in the event of a takeover offer.

REPORT ON OPPORTUNITIES AND RISKS.

Wincor Nixdorf regularly finds itself confronted by opportunities and risks that can have both a positive and a negative impact on the Group's assets, profits, and cash flow, as well as on intangibles such as its reputation; these opportunities and risks are inextricably linked with the Group's commercial activities.

In this report on opportunities and risks, we will outline the fundamental elements of the risk management system operated by Wincor Nixdorf, discuss the key opportunities and risks faced by the Group, and present Wincor Nixdorf's profile of opportunities and risks.

Risk Management System.

We define risks as possible future developments or events that may result in an adverse variance from our forecasts. Alongside risks, we also look in equal measure at opportunities. In general, opportunities can be defined as potential future developments or events that may have a positive impact on the Group's future performance and forecast if used in the right manner.

We interpret risk management as the ongoing task of identifying, analyzing, and evaluating the entire range of potential and actual developments so that we can control our response wherever possible. Risk management

is an integral part of the management system adopted by Wincor Nixdorf. The aim is to identify at an early stage any risks that might jeopardize the Company's targeted growth and/or its existence as a going concern and thus mitigate their impact. These activities are by no means restricted to risks; they are also applied in equal measure to opportunities. To this end, we have clearly defined the management and corporate structure of Wincor Nixdorf and separated certain functions in order to preserve the integrity of individual Group functions.

We follow the globally acknowledged COSO conceptual framework (The Committee of Sponsoring Organizations of the Treadway Commission) as regards the process of determining our opportunities and risks on a regular basis. Applying a classification system that includes four categories (Strategic, Operational, Financial and Legal), all potential deviations from targets are assigned on the basis of gross exposure notifications. In this case, the opportunity (risk), measured on the basis of possible cash inflow (cash outflow) within a fiscal year, is defined as the product of the estimated positive (negative) effect on EBITA upon occurrence of the event and the estimated probability of occurrence.

Our risk management system is structured in such a way that opportunities and risks are monitored and evaluated – based on approved annual budgets – at a decentralized level. This means that risk management takes place both in our legally independent units and at Group level, with operating units enjoying a high degree of autonomy so that they can react flexibly to opportunities as they arise. To be more precise, the ongoing tasks of identification, evaluation, implementation of measures, and controlling occur directly within the respective operational units. Target EBITA serves as the basis for determining opportunities and risks.

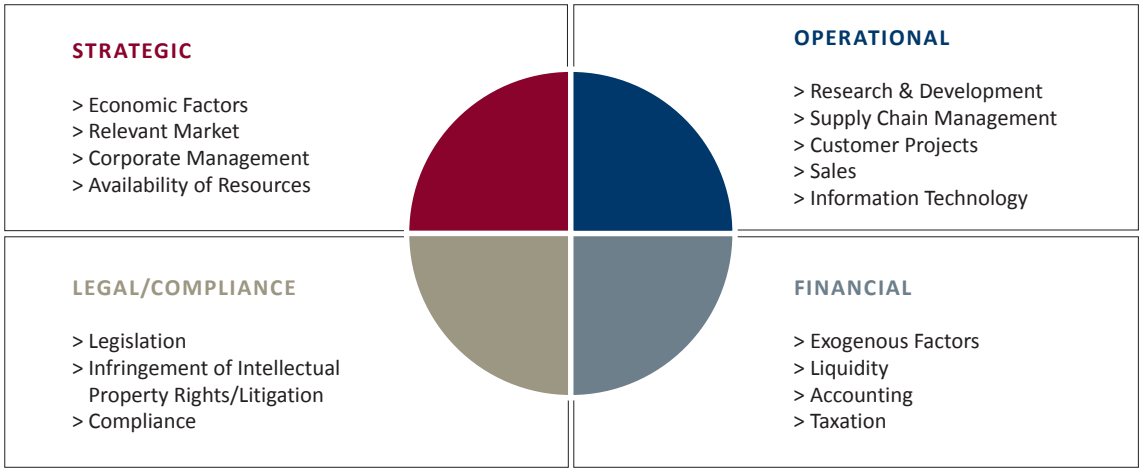
Reporting processes that relate to specific parameter thresholds and the actual extent of risk are used to coordinate the activities of the relevant Group functions. Risk Review Boards, which also include members of the Board of Directors, have been set up to discuss key projects, agree on appropriate measures, and assess and control projects with due regard for the risk strategy. Our centralized Risk Management is responsible for controlling this risk management process and defining our risk standards and risk control tools. By embedding risk management within overall Group Controlling, we can insure that it is treated as an integral component of business management rather than as a one-time assessment of fundamental risks, e.g., relating to the approval of specific projects. In this context, we compile an annual report on opportunities and risks, in addition to considering opportunities and risks relating to the Group and individual business units as part of monthly, quarterly, and annual assessment meetings. Furthermore, we have established a risk reporting process whereby the central risk management team is notified directly of any significant opportunities/risks that have newly emerged or of any dramatic changes to the opportunity/risk situation.

The main elements of the risk management system at Wincor Nixdorf have also been documented in our management handbook and in Group policies.

As an international enterprise with a diversified product portfolio, Wincor Nixdorf is exposed continuously to a number of developments and events that may have a material influence on its financial targets.

Wincor Nixdorf applies the following categorization for the purpose of determining opportunities and risks:

Conceptual Framework based on COSO.



Strategic influencing factors encompass economic influences such as economic trends in the respective sales markets, but also the impact of natural disasters or terrorist attacks.

This category also includes influences centered around the factors of competition, innovation, and market growth relating to the market that is of relevance in particular to Wincor Nixdorf. In this area, the focus is on evaluating potential deviations from original targets. Additionally, both positive and negative effects may occur as a result of management activities that are not aligned with corporate planning. Application of the internal control system and execution of special projects are two aspects to be cited in this context. The general availability of resources such as highly qualified managers and skilled workers as well as access to essential IT structures are of particular relevance to the Group.

The category comprising **operational opportunities and risks** assesses aspects that relate directly to the Group's operating activities. For example, in the area of research and development this might include incorporating customer needs at an early stage of the process for the purpose of offering a portfolio of products and services tailored to market requirements or the timely provision of a product featuring the expected functionality and quality.

Opportunities/risks relating to our supply chain may occur as a result of disruptions or impairments in procurement and production, but also with regard to channels of distribution for hardware and software. At the same time, changing commodity and energy prices may have an impact on earnings generated by Wincor Nixdorf. In the area of hardware production we also consider optimum capacity utilization at our plants as a critical factor that may influence earnings. Risks relating to transportation and channels of distribution may occur in the form of delayed deliveries and damages in transit, with associated financial repercussions.

This category also includes the assessment of sales-specific opportunities/risks, such as changing profit margins due to the prevailing level of concentration in the competitive environment. Other operational opportunities/risks might arise from delayed schedules when it comes to implementing specific projects or from non-budgeted expenses for the operation and maintenance of customer systems.

For Wincor Nixdorf, as an established supplier of IT solutions for banks and retail companies, exposure to risks associated with data handling in the areas of Outsourcing and Store Lifecycle Management is an issue of increasing significance. Insufficient availability of IT systems, with concomitant claims for compensation by our business partners on the one hand, but also better-than-expected performance on the other hand, may have financial consequences.

Wincor Nixdorf's business is also exposed to **financial risks**. They mainly include currency, liquidity, and credit risks, as well as risks associated with interest rate changes. For the purpose of limiting these risks, the Group treasury function is, to a large extent, managed centrally by Wincor Nixdorf.

The risk of a change in interest rates arises from taking up credit tied to the market rate. Interest expenses are mainly linked to the short-term variable market interest rate (EURIBOR) plus a margin. This margin can be subject to change depending on certain financial ratios. Being tied to a market interest rate, therefore, means that we are exposed to an interest rate risk as soon as that rate increases. In order to counteract this risk, we have concluded interest rate swap contracts.

The global nature of the Group generates payments in both directions in a range of currencies. Incoming and outgoing payments in individual currencies are netted off against each other. Thus, by selecting suitable suppliers and making appropriate location-related decisions, we actively seek to create a natural hedging effect to the greatest extent possible. The netted-off amounts represent our remaining exchange rate risk, which is then hedged up to 100% (depending on volume and currency) on a rolling 12-month basis by means of suitable financial instruments.

We reduce credit default risks by consistently obtaining credit reports, setting credit limits, and running a proactive debtor management function, including a payment reminder system and active debt collection. Wincor Nixdorf uses letters of credit to secure receivables from countries classified as presenting a credit risk.

Refinancing of Wincor Nixdorf Group entities is primarily conducted at a central level; this poses the risk of insufficient cash reserves for the on-time settlement of financial obligations. Wincor Nixdorf addresses this risk by monitoring its cash flow as well as by maintaining reserves in the form of unused credit lines.

In December 2011, Wincor Nixdorf signed a revolving credit facility agreement covering a volume of €400 million for the purpose of providing it with the sufficient scope in respect of financing. In January 2014 this credit line was reduced by €100 million to €300 million and will remain in place up to December 2018. Furthermore, in December 2013, we took out a €100 million multi-year loan with the European Investment Bank. The terms of the contract, such as the definition of financial indicators (covenants), correspond to terms and conditions that are customary within the market.

Wincor Nixdorf is exposed to a range of opportunities and risks in the **legal environment**. These might occur in connection with disputes possibly arising in the future in respect of legal issues or property rights. Legal disputes may arise in the ordinary course of business, for instance, with regard to disputes relating to products supplied and services rendered, product liability, product defects, quality issues, or the infringement of property rights.

Despite far-reaching communication and training measures as well as an established system of compliance management, it is conceivable that we may be affected by compliance-related infringements (e.g., antitrust and corruption transgressions). This can have a range of legal consequences, e.g., financial penalties and fines. Alongside these threats, we see ourselves exposed to regulatory risks arising from our international business activities. The opportunities of relevance to the Company are much less pronounced than the risks presented in this category.

Description of the Main Features of the Internal Control and Risk Management System with Regard to the Group Accounting Process (Section 315 (2), No. 5 HGB).

A key element of our strategy for minimizing and avoiding risk, especially in the areas of accounting and financial reporting, is the internal control system. Wincor Nixdorf's internal control system contains a series of principles, procedures, and measures that are intended to insure that the accounting process is effective, cost-efficient, and in compliance with statutory regulations.

Wincor Nixdorf's internal guidelines on accounting and financial reporting under International Financial Reporting Standards provide a framework of uniform accounting policies for all the domestic and international companies that make up the consolidated Group. They also include stipulations for the Group financial statements as well as detailed and formalized requirements to be applied by Group companies.

We promptly evaluate the impact of all new regulations and amendments to existing accounting rules and, where they are of relevance to us, incorporate them into the accounting process.

In addition, with regard to finances and financial reporting, integrity and responsibility are insured by the inclusion of an obligation to that effect in the Group's internal Code of Conduct.

Wincor Nixdorf has established a largely uniform IT platform, a uniform system of accounts, and standardized, computer-based accounting processes. This standardization insures that all significant transactions are recorded in a proper, timely, and uniform manner. Mandatory rules are in place for any additional manual recording of transactions. Accounting valuations, e.g., testing for the impairment of goodwill, are carried out by the Group's own specialist staff; in isolated cases, such as the measurement of pension obligations, this task is performed by external valuation experts.

In order to prepare Wincor Nixdorf's Group financial statements, the separate financial statements of those companies whose accounts are maintained using the Group's standard IT platform are transferred to an IT consolidation system based on SAP SEM. Data for the financial statements of all other Group companies is delivered using a web-based interface. The data provided to the parent company is automatically checked by the system. The separate financial statements submitted by Group companies are subjected to further centralized checks with due regard for the reports prepared by the auditors.

Information relevant to the consolidation process is automatically identified and obtained by the system, thus insuring that Group internal transactions are properly and completely eliminated. All consolidation processes involved in drawing up the Group financial statements are performed and documented within the IT-based consolidation system. The components of the Group financial statements, including any significant disclosures for the Notes to the financial statements, are derived from the resulting information. At the heart of the internal control system lie a series of both process-integrated and process-independent measures. One fundamental element of the process-integrated measures is automatic, IT-based process control.

Additional control functions, including manual process controls such as the "four-eyes principle," have been established through the organizational separation of administrative, executive, billing, and authorization functions. The IT systems we use for this purpose are also protected as far as possible against unauthorized access through a system of access rights and restrictions.

It should be noted, however, that even the use of appropriate and properly functioning systems cannot provide absolute certainty. Other control tasks are performed by specific Group functions such as the central tax department. Both the Supervisory Board of Wincor Nixdorf AG (in particular its Audit Committee) and Internal Audit are integrated into the internal control system and are tasked with carrying out independent checks.

Compliance.

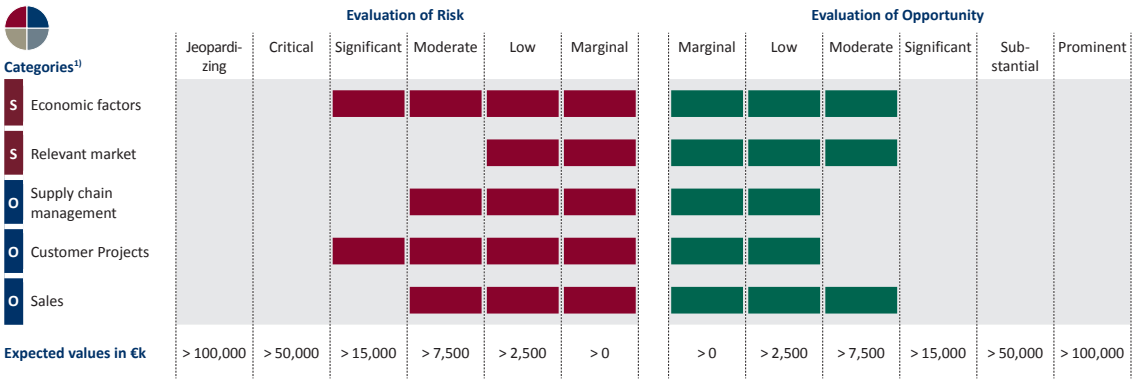
Wincor Nixdorf's Group Internal Audit conducts regular checks on the internal control systems and business processes of both subsidiaries and centralized functions with regard to compliance, cost-effectiveness, efficiency, and security. In particular, it monitors compliance with directives, organizational precautionary measures, financial indicators relating to the income statement and statement of financial position, and the structure of contracts, in addition to drawing up proposals for process optimization. As an independent body, it reports directly to the Board of Directors and the Supervisory Board's Audit Committee.

Presentation of Significant Opportunities and Risks.

Opportunities and risks are accorded equal status within the risk management process and are allocated to the four principal categories outlined above. The following overview presents the Group's key opportunities and risks identified as part of the analysis. The potential positive effects on earnings as a result of opportunities and the possible negative effects on earnings attributable to risks within the next fiscal year, as determined by opportunity and risk reports, form the basis of this assessment.

Opportunities and risks are categorized according to specific expected values as marginal, low, moderate, significant, critical/substantial, and jeopardizing the entity as a going concern/prominent. The Group's opportunity and risk profile, based on an assessment scale, i.e., parameter thresholds, determined in close cooperation with the Board of Directors, is presented below. In keeping with the principle of materiality, we have restricted this presentation to those influencing factors that were evaluated at the very least as "moderate" at Group level.

Relevant Opportunities and Risks for the Group.



[1)] Level 1: S=Strategic, O=Operativ, F=Financial, R=Legal/Compliance; Level 2: Opportunities and risks identified in each category.

Economic Factors. Budgeted EBITA may be impacted significantly by actual economic performance that is at variance with original projections. The reasons for such deviations can be multifaceted. They may include economic fluctuations in the sales markets of Wincor Nixdorf as well as unforeseeable positive or negative developments relating to political hot spots around the globe and their impact on the growth performance of the major economies. It is conceivable that these external factors, which can be controlled only to a limited extent, might cause a deviation – in either direction – from the target forecast. As regards economic performance, the risk assessed in this context is adjudged to be higher in comparison with the potential opportunities.

Relevant Market. Alongside economic factors, the category comprising strategic opportunities and risks also includes the aspect of changes within the markets that are of specific relevance to the Wincor Nixdorf portfolio. Relevant markets are defined as those sales regions in which we are active with our product portfolio for retail banks and retail companies. This portfolio consists of hardware, software, and services. Risks may occur in those cases in which entities with a similar product portfolio decide to enter a regional market or, alternatively, influence the market by applying a different verticalization strategy and such activities subsequently lead to a reduction in earnings at Wincor Nixdorf. By contrast, earnings may increase if competitors retreat from individual markets or if Wincor Nixdorf is able to strengthen its own market position vis-à-vis competing entities.

Regardless of the competitive situation, high acceptance levels with regard to specific products can create market dynamics – both positive and negative – as a result

of reaction to individual elements of the portfolio that is difficult to predict. In this context, we are of the opinion that the expansion of our product portfolio holds both opportunities and risks.

Supply Chain Management. As one of the world's leading providers of IT solutions and services, Wincor Nixdorf is dependent on a functioning supply chain. It is essential that we safeguard the security of supply across the entire chain of value creation. Although our supply chain management has adopted a seamless approach from supplier through to customer, we cannot rule out entirely the possibility of an impact on earnings as a result of circumstances along the value chain within the areas of procurement, production, or sales.

As regards procurement, we endeavor to identify and realize potential for improvement, avoid single sourcing, and minimize faults associated with sourced parts by selecting appropriate suppliers and carrying out inspections. We have reduced our vertical range of manufacture as part of measures aimed at restructuring our production operations. This generally leads to a greater level of dependence on selected suppliers. We are committed to treating our suppliers as full-fledged partners along the value chain and to establishing a relationship of trust with them. The cost savings targeted by Wincor Nixdorf in the area of production may have favorable add-on effects; at the same time, however, possible delays pose the risk of a much more negative effect on earnings. Deviations from planned capacity utilization levels as a result of economies of scale generated or not generated by the Company can have similar effects on earnings.

Customer Projects. Our business has changed over recent years. The overall complexity of projects has become much more pronounced. Our Group has evolved from a hardware supplier into a provider of intricate IT solutions and services. Projects that undergo a dedicated approval process often cover a period a several years; it is impossible to rule out entirely the possibility of time and cost overruns within the individual subprojects. The execution of projects is safeguarded by clearly defined project structures and project management methods, as well as experienced project managers. Despite this, significant risks may occur over the course of project implementation or during operational deployment, particularly in the case of complex software projects or when assuming responsibility for the operation of complex customer IT environments. Other examples of opportunities/risks associated with customer projects include expenses in excess of or lower than those computed as part of fixed-price agreements, dependence on business partners, liability provisions, and contractual penalties.

The aforementioned risks may be attributable to several factors and necessitate an individual strategy of risk prevention. We have taken the conscious decision to assign responsibilities for risk mitigation in a decentralized manner across the Group, as this approach facilitates rapid identification, evaluation, mitigation, and control of risks.

At the same time, the execution of customer projects may also produce opportunities for the Company. Although the scope of such opportunities is considered to be less pronounced, successful project management can contribute to above-average project results and therefore have a positive impact on target attainment.

Sales. Wincor Nixdorf's target markets differ in terms of their competitive situation and their concentration of competition. In the context of a given customer or competitive situation, individual and project-related decisions as to products/services and terms offered – which may also, for example, include larger than expected price erosion – can have a different effect on EBITA than originally planned. This effect may be either positive or negative. Such aspects are reflected in the opportunity and risk profiles presented in this section. EBITA attributable to the subsequent year may also be affected as a result of customer-side delays in the placement of orders.

Overall Risk.

As of the reporting date, and in the foreseeable future, the Board of Directors is not aware of any individual risk that could pose a danger to the continued existence of the Wincor Nixdorf Group as a going concern. Equally, in the view of the Board of Directors, the sum of all opportunities and risks does not show the Wincor Nixdorf Group to be in any jeopardy as of the date of preparing this report.

REPORT ON EXPECTED DEVELOPMENTS.

Macroeconomic and Industry Environment.

Neither of the analyses cited as sources by Wincor Nixdorf with regard to the likely business environment in fiscal 2014/2015 is able to fully reflect or anticipate the momentum of some of the prevailing trends at the time of publication of this report on expected developments. This is due to the simultaneous impact of various crises and conflicts. These range from warnings of impending deflation in the eurozone and the unpredictable consequences of the Russia-Ukraine conflict through to fears that the Ebola virus may spread in the form of an epidemic. Each of these developments has the potential to significantly undermine our business expansion plans if the situation escalates.

Anticipated Macroeconomic Development.

Slowdown in Global Recovery. Against a background of growing risks, the International Monetary Fund (IMF) has revised its global economic growth forecast for 2015 further downwards. The World Economic Outlook (WEO) published by the IMF in the fall of each year predicts annual growth for 2015 of 3.8%, 0.2% down on the IMF's July 2014 estimate.

According to the IMF, one of the main threats to global economic development lies in a further potential escalation of geopolitical tensions, particularly in the present conflict between Russia and Ukraine, and in the Middle East. The IMF also believes there is a danger of the financial markets underestimating the risks to global economic development and of being insufficiently prepared to meet those risks.

Looking ahead to the calendar year 2015, which includes most of Wincor Nixdorf's fiscal year 2014/2015, the IMF has cut back its growth forecasts for the emerging and developing markets. However, despite a slowdown in the emerging markets, it nevertheless expects growth in countries such as China and India to remain ahead of that achieved by the industrialized nations. Overall, the IMF's view is that emerging market countries are currently undergoing a difficult period of transition.

Turning to the industrialized nations, the IMF anticipates growth of 2.3% in 2015, just below the level previously forecast in July, although it does not exclude the possibility of further weakening or even deflation in the eurozone. In fact, the World Bank had already drawn attention to this potential threat when it pointed out in early June 2014 that expectations of low inflation in the eurozone could trigger a deflationary trend.

Sector-Specific Trends.

IT Spending Expected to Rise in Banking and Retail Sectors. Assuming that none of the above scenarios escalates, it is clear from various sector-specific market analyses that the prospects for further business growth at Wincor Nixdorf are robust.

Calculations by the market research firm Pierre Audoin Consultants (PAC) in August 2014 suggest that capital expenditure by banks and retailers on information technology is again likely to increase. Compared with the present calendar year, spending in 2015 is expected to rise by 4.9% and 3.65% in the banking and retail industries respectively. In absolute figures, that corresponds to estimated IT spending for 2015 in the banking sector of €329.4 billion (2014 estimate: €314.1 billion) and in the retail sector of €132.5 billion (2014 estimate: €128.0 billion).

Provided there is no major deterioration in the macroeconomic situation, whether at a global level or in individual regions, these figures suggest that higher sales are likely in all the areas covered by Wincor Nixdorf's growth strategy – in both its banking and retail business.

Overall Assessment of Business Environment.

Group's Cautious Observant Approach to Next Fiscal Year Reflects Current Business Environment. The downside risks highlighted by the IMF in its World Economic Outlook for 2015 have cast a shadow on the business environment for fiscal 2014/2015. This is particularly marked with respect to the continued slow pace of recovery in Europe and the loss in forward momentum in the emerging markets.

In the case of Europe, just a few weeks after publishing its fall WEO, the IMF estimated the probability of a recession at up to 40%. We believe that such a development would have a direct and negative impact on the willingness of banks and retailers to invest.

Having said that, the fundamental economic situation – based on the macroeconomic and industry-specific assessments outlined above – should not necessarily be regarded as negative in terms of our own further growth in fiscal 2014/2015. The overall expectation is that national economies around the world will generate further growth, much of it in the emerging market countries. Moreover, we can expect the modest upward trend seen in the industrialized countries to continue. IT spending by banks and retailers is also forecast to grow. All these positive scenarios presuppose that the risks detailed above do not escalate.

Against this backdrop, the parameters that might be used by Wincor Nixdorf to produce a forecast of business performance for the fiscal year 2014/2015 are clearly challenging and subject to considerable volatility.

Expected Business Performance for the Wincor Nixdorf Group in 2014/2015.

Group Aims to Exploit Potential Growth in Four Strategic Goals. At the beginning of our fiscal year 2014/2015 it is difficult to foresee how the wider business situation will develop; however, the fundamental trends confirm that our growth strategy is the right one. Accordingly, we aim to make further progress in all four of our strategic growth goals and harness the opportunities they present to help meet our declared targets.

Company to Implement Further Strategic Restructuring. During the current fiscal year, we will continue the process of restructuring our Company so that we can pursue and implement our growth targets. We plan to expand our

business operations, primarily by drawing on our own resources; at the same time, we are well prepared for the possibility of making suitable acquisitions.

In response to prevailing global megatrends, we will again make every effort to **expand our business in emerging markets** and to increase their share of total net sales at Group level. We will push ahead with the restructuring of our production and logistics chain in order to strengthen our business activities in the emerging markets. In addition, we will maintain our policy of targeting the development of products and solutions specifically for the emerging markets from our regional base in Singapore, as well as further expanding our selling capacity in emerging market countries, for example through the use of sales partners.

With an eye to the market opportunities available in industrialized countries and with due regard for a changing technological environment that presents our customers with both opportunities and challenges, we intend to push further ahead with the **expansion of our Software and Professional Services business.** We are preparing ourselves to meet a substantial increase in demand within our target industries, for example in the field of omni-channel integration [34]. In retail banking, we plan to build on what is already a very strong market position in the area of applications software that supports ATM systems from a wide range of manufacturers (multivendor software). Security software is another attractive field where demand is increasing and we have already established an excellent starting point within the market.

In conjunction with these Software activities, we also plan to drive ahead with the expansion of our **cashless payment business.** This market is characterized by extensive demand for new software and innovative hardware to facilitate the processing of a tremendous variety of cashless payment transactions in the retail sector.

We are prioritizing the expansion of our **High-end Services** (e.g., Managed Services and Outsourcing). These are primarily designed to give more effective support to those of our customers in industrialized countries who face tough competition in the productivity stakes. In the retail sector, the main focus is on our well-established store life-cycle solutions. We have already chalked up considerable success in managing the entire branch IT infrastructure on behalf of various global retailers, and we aim to maintain this strong record. On the retail banking side, we plan to expand our ATM Fleet Management service as part of the Group's wider focus on maximizing system availability. Over the coming year, we also intend to extend the Group's Outsourcing business in the field of retail banking beyond our current focus on Germany and the U.K.

Further Restructuring of Workforce. As the current fiscal year progresses, there will be further measures to restructure the workforce in line with our strategy for achieving profitable growth. We anticipate a modest increase in the overall Group headcount, with a continued emphasis on potentially fast-growing areas such as Software/Professional Services and High-end Services.

Research and Development. Again reflecting our growth strategy, we plan to maintain a high level of investment in research and development in order to strengthen our market position. As well as further work on automation technology, we will prioritize the development of new software.

Overall Assessment of Future Business Development.

Moderate Growth in Net Sales; EBITA Set to Rise Compared with Previous Year's Figure Adjusted for Exceptional Items. At the time of preparation of this report on expected developments, the general business environment in which the Group operates appears to be volatile and challenging. Nevertheless, it should be possible to build on a number of underlying market trends with implicit growth scenarios.

[34]
Glossary: p. 136

On the basis of these fundamental trends, in fiscal 2014/2015 we will continue the job of restructuring our Company in the four key goals outlined in our growth strategy. We may choose to make acquisitions in support of our growth strategy. This option has been factored into our forecast net sales and operating profit.

We expect our total net sales to show a moderate increase in fiscal 2014/2015 compared with the 2013/2014 figure of €2,469 million. As we generate growth, we also aim to boost our EBITA. Taking the figure for the previous fiscal year, adjusted for exceptional items, as our starting point (2013/2014: €135 million), we aim to achieve a percentage increase in EBITA slightly above that of net sales.

Consistent Dividend Policy. Our proposed dividend for the fiscal year 2014/2015 will again reflect our declared dividend policy. This means that around 50% of the profits generated in a fiscal year are distributed as a dividend.

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 out-side 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.

CONTENTS.

Wincor Nixdorf Aktiengesellschaft, Paderborn
Group Income Statement
for the Period from October 1, 2013 to September 30, 2014.

€k

	Note	2013/2014	2012/2013
Net sales	[1]	**2,469,418**	**2,465,004**
Cost of sales		–1,925,675	–1,922,312
Gross profit	[2]	**543,743**	**542,692**
Research and development expenses		–98,344	–98,711
Selling, general and administration expenses	[3]	–314,841	–313,385
Other operating income	[4]	25,752	202
Result from equity accounted investments	[10]	–1,348	733
Net profit on operating activities		**154,962**	**131,531**
Finance income	[5]	1,009	1,120
Finance costs	[5]	–9,587	–8,310
Profit before income taxes		**146,384**	**124,341**
Income taxes	[6]	–42,284	–36,492
Profit for the period		**104,100**	**87,849**
Profit attributable to non-controlling interests		**3,215**	**721**
Profit attributable to equity holders of Wincor Nixdorf AG		**100,885**	**87,128**
Shares for calculation of basic earnings per share (in thousands)	[7]	**29,796**	**29,776**
Shares for calculation of diluted earnings per share (in thousands)	[7]	**29,796**	**29,776**
Basic earnings per share (€)	[7]	**3.39**	**2.93**
Diluted earnings per share (€)	[7]	**3.39**	**2.93**

Wincor Nixdorf Aktiengesellschaft, Paderborn
Group Statement of Comprehensive Income
for the Period from October 1, 2013 to September 30, 2014.

€k

	Note	2013/2014	2012/2013
Profit for the period		**104,100**	**87,849**
Items that are or may be reclassified subsequently to profit or loss:			
Cash flow hedges – effective portion of changes in fair value		–13,271	–269
Cash flow hedges – reclassified to profit or loss		3,118	3,052
Exchange rate changes		10,500	–6,037
Items that will not be reclassified to profit or loss:			
Actuarial gains and losses		–17,956	–4,271
Other comprehensive income (net of tax)	[16]	**–17,609**	**–7,525**
Total comprehensive income		**86,491**	**80,324**
Total comprehensive income attributable to:			
Non-controlling interests		**2,456**	**359**
Equity holders of Wincor Nixdorf AG		**84,035**	**79,965**

Wincor Nixdorf Aktiengesellschaft, Paderborn
Group Balance Sheet
as of September 30, 2014.

Assets €k

	Note	Sept. 30, 2014		Sept. 30, 2013	
Non-current assets					
Intangible assets	[8]	351,961		347,396	
Property, plant and equipment	[9]	124,933		128,604	
Investments accounted for using the equity method	[10]	4,076		6,360	
Investments	[10]	1,197		1,383	
Reworkable service parts	[11]	27,448		27,498	
Trade receivables	[12]	5,749		6,052	
Other assets	[12]	4,045		4,234	
Deferred tax assets	[13]	40,890	**560,299**	31,125	**552,652**
Current assets					
Inventories	[14]	343,396		316,713	
Trade receivables	[12]	519,629		433,936	
Receivables from related companies	[12]	3,305		1,123	
Current income tax assets	[12]	8,172		9,942	
Other assets	[12]	61,536		48,399	
Investments	[10]	19		15	
Cash and cash equivalents	[15]	43,584	**979,641**	43,174	**853,302**
Total assets			**1,539,940**		**1,405,954**

Equity and Liabilities €k

	Note	Sept. 30, 2014		Sept. 30, 2013	
Equity					
Subscribed capital of Wincor Nixdorf AG		33,085		33,085	
Retained earnings		529,407		487,541	
Treasury shares		–173,712		–175,823	
Other components of equity		34,241		33,890	
Equity attributable to equity holders of Wincor Nixdorf AG	[16]	**423,021**		**378,693**	
Non-controlling interests	[17]	3,788	**426,809**	4,168	**382,861**
Non-current liabilities					
Accruals for pensions and similar commitments	[18]	78,197		66,407	
Other accruals	[19]	26,619		26,987	
Financial liabilities	[20]	85,679		90,562	
Trade payables	[20]	27		59	
Other liabilities	[20]	7,672		5,700	
Deferred tax liabilities	[13]	27,592	**225,786**	28,407	**218,122**
Current liabilities					
Other accruals	[19]	141,942		144,349	
Financial liabilities	[20]	83,460		76,239	
Advances received	[20]	25,489		25,279	
Trade payables	[20]	343,785		298,544	
Liabilities to related companies	[20]	2,521		1,872	
Current income tax liabilities	[20]	47,860		44,479	
Other liabilities	[20]	242,288	**887,345**	214,209	**804,971**
Total equity and liabilities			**1,539,940**		**1,405,954**

Wincor Nixdorf Aktiengesellschaft, Paderborn
Group Cash Flow Statement
for the Period from October 1, 2013 to September 30, 2014.[1)]

€k

	2013/2014	2012/2013
EBITA	**154,962**	**131,531**
Amortization/depreciation of property rights, licenses and property, plant and equipment	54,363	53,133
Write-down of reworkable service parts	6,585	6,454
EBITDA	**215,910**	**191,118**
Interest received	887	986
Interest paid	–6,731	–7,052
Income taxes paid	–36,820	–15,090
Result on disposal of intangible assets and property, plant and equipment	–27,056	620
Change in accruals	–17,150	–16,384
Other non-cash items	12,134	–646
Change in working capital	–49,932	–3,166
Change in other assets and other liabilities	–6,837	9,407
Cash flow from operating activities	**84,405**	**159,793**
Payments received from the disposal of property, plant and equipment	34,258	2,862
Payments received from the disposal of investments and other payments received	16	4
Payments made for investment in intangible assets	–6,632	–7,283
Payments made for investment in property, plant and equipment	–47,739	–39,235
Payments made for acquisition of consolidated affiliated companies, jointly controlled entities, and other business units	–5,000	0
Payments made for investments	–15	0
Payments made for investment in reworkable service parts	–10,273	–6,665
Cash flow from investment activities	**–35,385**	**–50,317**
Payments made to equity holders	–44,069	–31,265
Payments received from financial loan draw-downs	100,000	0
Payments made for repayment of financial loans	–90,000	–40,419
Payments made to non-controlling interests	–2,165	–226
Other financing activities	–3,515	–3,697
Cash flow from financing activities	**–39,749**	**–75,607**
Net change in cash and cash equivalents	**9,271**	**33,869**
Change in cash and cash equivalents from exchange rate movements	–1,276	137
Cash and cash equivalents at beginning of period[2)]	–32,378	–66,384
Cash and cash equivalents at end of period[2)]	**–24,383**	**–32,378**

[1)] For further explanations, see Note [27].
[2)] Include cash and cash equivalents and current bank liabilities.

Wincor Nixdorf Aktiengesellschaft, Paderborn
Changes in Group Equity
as of September 30, 2014.[1)]

€k

	Equity attributable to equity holders of Wincor Nixdorf AG								
				Other components of equity					
	Subscribed capital	Retained earnings	Treasury shares	Add. paid-in capital	Exchange rate changes	Cash flow hedges	Total	Non-controlling interests	Equity
As of October 1, 2012	**33,085**	**434,931**	**–175,823**	**45,122**	**–7,741**	**–5,013**	**324,561**	**4,666**	**329,227**
Cash flow hedges	0	0	0	0	0	2,783	2,783	0	2,783
Exchange rate changes	0	–688	0	0	–5,349	0	–6,037	0	–6,037
Actuarial gains and losses	0	–3,909	0	0	0	0	–3,909	–362	–4,271
Other comprehensive income	**0**	**–4,597**	**0**	**0**	**–5,349**	**2,783**	**–7,163**	**–362**	**–7,525**
Profit for the period	0	87,128	0	0	0	0	87,128	721	87,849
Total comprehensive income	**0**	**82,531**	**0**	**0**	**–5,349**	**2,783**	**79,965**	**359**	**80,324**
Share options	0	1,390	0	4,088	0	0	5,478	0	5,478
Takeover of shares	0	–46	0	0	0	0	–46	–694	–740
Distributions	0	–31,265	0	0	0	0	–31,265	–163	–31,428
Transactions with equity holders	**0**	**–29,921**	**0**	**4,088**	**0**	**0**	**–25,833**	**–857**	**–26,690**
As of September 30, 2013	**33,085**	**487,541**	**–175,823**	**49,210**	**–13,090**	**–2,230**	**378,693**	**4,168**	**382,861**
As of October 1, 2013	**33,085**	**487,541**	**–175,823**	**49,210**	**–13,090**	**–2,230**	**378,693**	**4,168**	**382,861**
Cash flow hedges	0	0	0	0	0	–10,153	–10,153	0	–10,153
Exchange rate changes	0	0	0	0	10,528	0	10,528	–28	10,500
Actuarial gains and losses	0	–17,225	0	0	0	0	–17,225	–731	–17,956
Other comprehensive income	**0**	**–17,225**	**0**	**0**	**10,528**	**–10,153**	**–16,850**	**–759**	**–17,609**
Profit for the period	0	100,885	0	0	0	0	100,885	3,215	104,100
Total comprehensive income	**0**	**83,660**	**0**	**0**	**10,528**	**–10,153**	**84,035**	**2,456**	**86,491**
Share options	0	1,731	2,111	–24	0	0	3,818	0	3,818
Takeover of shares and other changes	0	544	0	0	0	0	544	–2,732	–2,188
Distributions	0	–44,069	0	0	0	0	–44,069	–104	–44,173
Transactions with equity holders	**0**	**–41,794**	**2,111**	**–24**	**0**	**0**	**–39,707**	**–2,836**	**–42,543**
As of September 30, 2014	**33,085**	**529,407**	**–173,712**	**49,186**	**–2,562**	**–12,383**	**423,021**	**3,788**	**426,809**

[1)] For further explanations, see Note [16].

Wincor Nixdorf Aktiengesellschaft, Paderborn
Notes to the Group Financial Statements
for Fiscal 2013/2014.

SEGMENT REPORT IN ACCORDANCE WITH IFRS 8.

Operating Segments.[1)] €k

	Banking	Retail	Group
Net sales to external customers	1,566,498 (1,613,512)	902,920 (851,492)	**2,469,418** (2,465,004)
Operating profit (EBITA)	104,959 (102,449)	50,003 (29,082)	**154,962** (131,531)
Result from equity accounted investments	–1,348 (733)	0 (0)	**–1,348** (733)
Segment assets	674,549 (612,942)	363,335 (313,219)	**1,037,884** (926,161)
Segment liabilities	293,102 (261,321)	181,978 (155,250)	**475,080** (416,571)
Investment in intangible assets and property, plant and equipment	47,668 (40,816)	11,703 (5,502)	**59,371** (46,318)
Investment in reworkable service parts	8,013 (5,199)	2,260 (1,466)	**10,273** (6,665)
Amortization/depreciation and impairment of property rights, licences and property, plant and equipment	48,814 (46,597)	5,549 (6,536)	**54,363** (53,133)
Write-down of reworkable service parts	5,136 (5,034)	1,449 (1,420)	**6,585** (6,454)
Research and development expenses	63,359 (72,507)	34,985 (26,204)	**98,344** (98,711)

Last year's figures are shown in brackets.
[1)] For further explanations, see Note [28].

Secondary Information.[1)] €k

	Europe	*Included in Europe: Germany*	Asia/ Pacific/ Africa	Americas	Group
Net sales to external customers	1,730,245 (1,783,289)	*588,194* *(566,915)*	444,944 (418,179)	294,229 (263,536)	**2,469,418** (2,465,004)
Segment assets	679,705 (631,342)	*350,002* *(331,154)*	253,407 (215,128)	104,772 (79,691)	**1,037,884** (926,161)
Non-current assets	153,263 (150,991)	*136,136* *(140,952)*	13,339 (15,768)	2,508 (2,701)	**169,110** (169,460)
Investment in intangible assets and property, plant and equipment	53,933 (41,392)	*39,666* *(37,590)*	4,071 (4,675)	1,367 (251)	**59,371** (46,318)
Investment in reworkable service parts	8,073 (5,982)	*8,073* *(5,982)*	2,200 (683)	0 (0)	**10,273** (6,665)

Last year's figures are shown in brackets.
[1)] For further explanations, see Note [28].

GENERAL INFORMATION.

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

The Banking segment's proposition includes hardware, software, IT services, and consulting services. ATMs, cash recycling systems, automated teller safes and transaction terminals are key elements of the hardware portfolio. Besides software for the operating systems banks may benefit from software by means of which they are able to manage processes throughout all distribution channels.

Through the Retail segment, Wincor Nixdorf also provides hardware, software, IT services, and consulting services. Key elements are programmable ePOS systems or self-checkout systems and relate to the checkout area. The software portfolio allows the entire control of all processes and systems within the branch.

For both retail banks and retailers our IT services ensure the maximum availability of installed IT systems. Moreover, for both segments Professional Services offer software adaptation and integration to the IT environment of our customers. For reporting purposes, these services are allocated to either one of the segments Retail or Banking.

Wincor Nixdorf is represented in over 130 countries around the world and has its own subsidiary companies in 42 of these. Major business geographies are Germany and Europe. The Group's main production facilities are located in Germany, China, and Brazil. Research and development within the Group is conducted predominantly in Germany, Austria, Poland, Singapore, and China.

The parent company of the Group is Wincor Nixdorf Aktiengesellschaft (in the following "Wincor Nixdorf AG") located on Heinz-Nixdorf-Ring 1, 33106 Paderborn, Germany. The Company is registered at the local court office in Paderborn, Germany. The stock of Wincor Nixdorf AG is listed on the Frankfurt Stock Exchange in the Prime Standard segment and is part of the MDAX. The Group's fiscal year commences on October 1 and ends on September 30 of the subsequent calendar year.

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

Several Group balance sheet and Group income statement items have been combined in order to improve clarity. These items are stated and explained separately in the Notes to the Group financial statements. The Group income statement is structured using the cost of sales method.

On November 18, 2014, the Board of Directors of Wincor Nixdorf AG released the Group financial statements for the purpose of forwarding them to the Supervisory Board. The Supervisory Board is responsible for assessing the Group financial statements and specifying whether it is issuing an approval of the Group financial statements.

Use of International Financial Reporting Standards (IFRS).

The Group financial statements of Wincor Nixdorf AG as of September 30, 2014, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the provisions of commercial law to be additionally applied in accordance with Section 315a (1) of the German Commercial Code.

In fiscal 2013/2014, Wincor Nixdorf AG has applied the following amendments and changes to accounting standards for the first time:

- IFRS 13 „Fair value Measurement" (to be applied for periods beginning on or after January 1, 2013)
- Amendments to IAS 12 "Income Taxes – Deferred Tax: Recovery of Underlying Assets" (to be applied for periods beginning on or after January 1, 2013)
- IAS 19 (revised 2011) „Employee Benefits"(to be applied for periods beginning on or after January 1, 2013).

  Within the scope of the amendments to IAS 19 the recognition of actuarial gains and losses in the other comprehensive income represents the most important amendment. Wincor Nixdorf already complied with this amendment in the previous years. We have analyzed all further amendments and noted that they have no material effect on the consolidated financial statements of Wincor Nixdorf AG. Accordingly, the previous years have not been restated and IAS 19 (revised 2011) has been applied prospectively. IAS 19 (revised 2011) requires the application of a single interest rate on plan assets and defined benefit obligations. Due to

this, the pension expense would have been €4,077k higher if the plan assets had been multiplied with a reduced interest rate. Further on, past service cost have to be immediately recognized in the income statement. As of September 30, 2013, Wincor Nixdorf presented past service cost of a plan curtailment of a pension plan in France in the amount of €571k which had not been included in the income statement. This effect has been considered in the income statement in the current fiscal year. Under retention of the stipulations of IAS 19 (until 2011) the financial expenses in the Group income statement would have been approximately €4,000k lower and the actuarial losses in other comprehensive income would have increased likewise.

- "Annual Improvements to IFRSs 2009–2011 Cycle" (to be applied for periods beginning on or after January 1, 2013)
- Amendments to IFRS 1 "First-time Adoption of IFRS – Government Loans" (to be applied for periods beginning on or after January 1, 2013)
- Amendments to IFRS 1 "First-time Adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters" (to be applied for periods beginning on or after January 1, 2013)
- Amendments to IFRS 7 "Financial Instruments: Disclosures" (to be applied for periods beginning on or after January 1, 2013)
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"(to be applied for periods beginning on or after January 1, 2013)

The first-time application of the amendment had no material effect on the Group financial statements of Wincor Nixdorf AG as of September 30, 2014.

In addition, the following amendments have been released by the IASB and adopted by the European Union until September 30, 2014; however, they are not yet applicable for the Group financial statements of Wincor Nixdorf AG in fiscal 2013/2014:

- IAS 27 "Separate Financial Statements" (to be applied for periods beginning on or after January 1, 2014)
- IAS 28 "Investments in Associates and Joint Ventures" (to be applied for periods beginning on or after January 1, 2014)
- IFRS 10 "Consolidated Financial Statements" (to be applied for periods beginning on or after January 1, 2014)
- IFRS 11 "Joint Arrangements" (to be applied for periods beginning on or after January 1, 2014)
- IFRS 12 "Disclosure of Interests in Other Entities" (to be applied for periods beginning on or after January 1, 2014)
- Amendments to IFRS 10, IFRS 12 und IAS 27 "Investment Entities" (to be applied for periods beginning on or after January 1, 2014)
- Amendments to IFRS 10, IFRS 11 and IFRS 12 "Transition Guidance" (to be applied for periods beginning on or after January 1, 2014)
- Amendments to IAS 32 "Financial Instruments: Presentation" (to be applied for periods beginning on or after January 1, 2014)
- Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets" (to be applied for periods beginning on or after January 1, 2014)
- Amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting" (to be applied for periods beginning on or after January 1, 2014)
- IFRIC 21 "Levies" (to be applied for periods beginning on or after July 1, 2014)

We intend to consider the standards, interpretations and amendments in our Group financial statements in the fiscal year in which they have to be applied, according to the guidelines of the European Union. At the date on which the Group financial statements are issued, we do not expect any material effects resulting from the settlements that are not applied before the effective date on the presentation of the Group financial statements of Wincor Nixdorf AG at the moment of first-time application.

METHODS OF CONSOLIDATION.

Consolidation Group.

The Group financial statements as of September 30, 2014, basically include those subsidiaries in which Wincor Nixdorf AG governs the financial and operating policies. This applies if Wincor Nixdorf AG directly or indirectly has a majority of the voting power of an entity or holds the power to govern corporate financial and operating policies. Inclusion of such companies' accounts in the Group financial statements begins at the moment of exercising control over the company, and ceases at expiration of control.

In fiscal 2013/2014, the consolidation group changed as follows:

- WN CZ RETAIL SOLUTIONS s.r.o., Prague, Czech Republic, subscribed capital of CZK200k (€7k). In the course of the new foundation predominantly software products and licenses in the amount of €5,000k have been contributed from the purchase of assets from DATEC Retail Systems a.s., Zlín, Czech Republic.
- In September 2014 the remaining 49% interest in Prosystems IT GmbH, Bonn has been acquired with civil law effect from October 1, 2014. The acquisition is considered as of September 30, 2014 under the anticipated acquisition method. The purchase price under consideration of distributable dividends is €2,185k. Since there has been no change in control, the transaction is accounted for as transaction with equity holders.

The number of consolidated companies changed in fiscal 2013/2014 as follows:

	Germany	Other countries	Total
October 1	23	58	**81**
Newly founded companies	0	1	**1**
September 30	**23**	**59**	**82**

There was no significant impact on the Group's net assets, financial position, and results of operations as a result of the change of the consolidation group in fiscal 2013/2014.

Consolidation Principles.

The Group financial statements are based on the annual accounts of companies forming part of the Group, such accounts having been compiled under uniform Group rules as of September 30, 2014, and, for the comparative period, as of September 30, 2013. By departure from this, we have used interim accounts in respect of ten companies, as local statutory requirements dictate that these companies have fiscal years ending December 31.

The accounting of business combinations was carried out in accordance with IFRS 3 using the acquisition method. The cost of the acquisition is the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the transaction date. The acquired assets, liabilities, and contingent liabilities are measured at fair value from the date when control is transferred to the Group.

Goodwill is recognized at the acquisition date as the excess of the cost of the acquisition plus the amount of any non-controlling interests in the acquiree as well as the acquisition-date fair value of the acquirer's previously held equity interest over the net fair value of identifiable assets acquired and liabilities assumed.

For each business combination, Wincor Nixdorf independently decides whether non-controlling interests of the acquiree are measured at fair value or at their proportionate share of the acquiree's identifiable net assets.

Goodwill is not amortized on a scheduled basis. Moreover, goodwill is tested for impairment annually or if an indication for impairment exists, and if applicable, an impairment loss is recorded.

The interests in subsidiary companies, which are not attributable to the parent company, are shown within Group equity as "non-controlling interests." Changes in equity interests in Group subsidiaries that reduce or increase Group's percentage ownership without changes of control status are accounted for as an equity transaction between owners. As far as binding purchase options or agreements for non-controlling interests exist, these are presented based on the respective purchase price agreement at fair value as a financial liability.

Subsidiaries and investments that do not have a material impact on the Group's financial position or results of operations are recognized in the consolidated financial statements at cost of acquisition less any impairment losses. Circumstantial subsidiaries are WINCOR NIXDORF RETAIL ME JLT, Dubai (United Arab Emirates) and Wincor Nixdorf Limited, Lagos (Nigeria).

Mutual receivables and payables between companies included in the consolidated accounts, intra-Group income and expenses, as well as intra-Group profit or loss from the delivery of goods and services, are eliminated. If necessary, deferred taxes are applied on consolidation transactions.

Jointly Controlled Entities.

Joint ventures are those entities over whose activities Wincor Nixdorf has joint control with partners, which are established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in jointly controlled entities are accounted for using the equity method. Based on the cost of the investment at the date of acquisition, the carrying amount of the investment is increased or decreased by the share of profit or loss, dividends distributed, the share of in-

tra-Group profit elimination resulting from business with Wincor Nixdorf, and other changes in the equity of the jointly controlled interests attributable to the investments of Wincor Nixdorf AG or its consolidated subsidiaries.

Investments in companies accounted for using the equity method are written down as impaired if the recoverable amount falls below the carrying amount.

Currency Translation.

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

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

Balance sheet items, including goodwill, are converted at the mid exchange rate applicable on the balance sheet date, and income and expenses in the Group income statement are converted using average exchange rates (annual averages) provided that the foreign exchange rates are more or less stable. The variance arising from conversion is offset against shareholders' equity without affecting profit. Currency differences that result from comparison to last year's currency conversion are also charged against equity without affecting profit. In the event of the disposal of a subsidiary, which results in a loss of control, the cumulative amount of exchange rate differences previously recognized directly in equity is reclassified to the profit or loss as part of the gain or loss on disposal.

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

		Average rate		Closing rate	
1 € =	ISO Code	2013/2014	2012/2013	Sept. 30, 2014	Sept. 30, 2013
Pounds sterling	GBP	0.8165	0.8431	0.7773	0.8361
U.S. dollar	USD	1.3535	1.3153	1.2583	1.3505

ACCOUNTING AND VALUATION PRINCIPLES.

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

Assets and liabilities have been valued at historical acquisition/production cost, with the exception of the items reflected at fair value, such as financial instruments classified as "financial asset or financial liabilities at fair value through profit or loss," derivatives, and plan assets within the scope of pension obligations.

Assumptions and Estimations.

In compiling the Group financial statements, assumptions have been made and estimates used, which have affected the value and reporting of capitalized assets and liabilities, of income and expenses, and of contingent liabilities.

[1]
Impairment: p. 100

The assumptions mainly relate to the Group-wide setting of standard economic utilization periods of intangible assets and property, plant and equipment, and to the valuation of inventories.

Estimates that have a material influence on the consolidated financial statements are described in the course of the explanatory notes to cash flows used for impairment tests (see subsequent section on Impairment) [1], to the ability of future tax benefits to be realized (see Note [6]), to share-based payment programs (see Note [16] section Share-based Payment Program) to accruals for pensions and similar commitments (see Note [18]) as well as to financial instruments (see Note [21]).

The estimates are based on historical experience and other assumptions that are considered valid at the balance sheet date and reasonable under given circumstances. The underlying future business development is the one for which the highest probability can be assumed. Additionally, the development of the retail and banking industry as well as of the business environment has been accounted for. The estimates and the underlying assumptions are continuously verified. The actual values may vary in individual instances from the assumptions and estimates made if the general conditions unfold in contrast to the expectations at the balance sheet date. Changes are incorporated, with a corresponding effect on profit or loss, once improved knowledge is obtained.

With regard to the general assumptions and estimates used of circumstances beyond the aforementioned, we refer to the following general remarks in this chapter as well as in the Notes to the Group Income Statement and Group Balance Sheet and Other Information.

In compiling the Group financial statements judgments with regard to the accounting of cash flow hedges have been made in the process of applying accounting policies.

Net Sales.

Net sales from the delivery of goods are recognized as soon as the entity has transferred to the customer the significant risks and rewards of ownership of the goods. Within this context, the entity retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold. The amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the enterprise. No net sales are recognized if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

If the sale of products includes a determinable amount for subsequent services (multiple-component contracts), the related revenues are deferred and recognized as income over the period of the contract. Amounts are normally recognized as income according to the service provision.

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

Net sales are generally stated net of sales taxes, other taxes, and sales deductions as discounts and allowances at the fair value of the consideration received or to be received.

Income from operating leases and finance leases is recognized based on the provisions of IAS 17.

Cost of Sales.

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

Research and Development Expenses.

Under IAS 38, research expenses are not to be capitalized. Development expenses have to be capitalized only if certain precise preconditions are met. Under these rules, capitalization is required wherever the development activity will, with an adequate degree of probability, result in future cash inflows, which will cover the relevant development expenses in addition to normal costs. Moreover, certain criteria of IAS 38.57 must also be met cumulatively, in terms of the product to be developed or the project or process to be developed.

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

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

Inside of the Group, a major part of research and development expenses concerns enhancements and improvements of already existing products, which do not comply with the criteria of IAS 38 for separate capitalization. Since single development projects are often subject to approval and certification procedures, the conditions for the capitalization of costs incurred before receipt of approvals are not normally satisfied.

Borrowing Costs.

Borrowing costs are expensed as incurred unless they are directly attributable to the acquisition, construction, or production of a qualifying asset and therefore are part of the cost of that asset.

Government Grants.

Government grants are recognized only if there is a reasonable assurance that the associated conditions will be met and the grants will be received. Basically, grants related to assets are reported as a reduction of cost of the assets concerned with a corresponding reduction of depreciation and amortization in subsequent periods. Grants related to income (e.g., grants from the Federal Employment Agency) are stated as a reduction of the corresponding expenses in the periods in which the expenses the grant is intended to compensate are incurred. During the year under review, government grants related to income came to €1,410k (2012/2013: €1,859k) and are reported in principle in the Group income statement under functional costs (cost of sales, research and development expenses and selling, general and administration expenses).

Taxes.

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

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

Deferred taxes are reported in respect of temporary differences between the values, for tax purposes, of assets and liabilities and their values in the Group financial statements. In addition, deferred tax assets in respect of the future utilization of tax losses carried forward are shown. Deferred tax assets on temporary differences and tax losses carried forward are recognized to the extent that it is probable that sufficient taxable income will be available in order to use them. The deferred taxes are shown at the rates of tax that will be effective under applicable law at the time at which the temporary differences are predicted to turn around, or at which the tax losses carried forward can probably be used.

Offsetting of deferred tax assets and deferred tax liabilities is performed if the positions are related to income taxes, which are levied by the same tax authorities, for which the Group has a right to set off the recognized amounts and which arise for the same companies or within the same tax group, respectively.

The remaining taxes, such as property and energy taxes, are included in the functional costs.

Intangible Assets.

Intangible assets are accounted for at cost and, as the useful lives are, with the exception of goodwill, finite, amortized in a scheduled manner in equal annual amounts over the relevant utilization period. Intangible assets are written down if there are indications of impairment [2]. The write-downs are reversed with effect on profit, if the reasons for the impairment losses no longer apply, to the maximum of amortized costs.

[2]
Impairment: p. 100

The amortization period for commercial patents and licenses is a maximum of five years.

The amortization as well as impairment losses of intangible assets are included in the Group income statement under the functional costs (cost of sales, research and development expenses, and selling, general and administration expenses).

As in the previous year, there were no reversals of impairment losses on intangible assets. No borrowing costs were recognized as a cost component of intangible assets during the year under report.

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

[3]
Reworkable Service Parts and Current Inventories: p. 101 et seq.

[4]
Taxes: p. 99

Property, Plant and Equipment.

Property, plant and equipment are valued at cost of acquisition or production, less scheduled depreciation and impairment losses. They were not revalued in accordance with the option under IAS 16.

Items of property, plant and equipment are written down if there are indications of impairment (see Impairment). The write-downs are reversed, if the reasons for the impairment losses no longer apply, to the maximum of amortized costs.

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

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

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

Expenses for the repair of property, plant and equipment, such as ongoing maintenance costs, are normally recognized in income. The cost of acquisition or construction is capitalized if a repair will result in future economic benefits.

As in the previous year, there were no reversals of impairment losses on property, plant and equipment. No borrowing costs were recognized as a cost component of property, plant and equipment during the year under review.

Impairment.

With the exception of inventories [3] and deferred tax assets [4], the book values of assets held by the Group are checked on the balance sheet date for indicators favoring impairment. Where such indicators exist, the settlement value of the assets (recoverable amount) is estimated and where necessary devaluation is made with a corresponding charge to the Group income statement.

According to IAS 36, goodwill is tested for impairment annually, or if an indication for impairment exists, by the execution of an impairment test. In doing so, the carrying amount of a cash-generating unit or a group of cash-generating units ("cash-generating unit") is compared with the recoverable amount. The recoverable amount of a cash-generating unit is the greater of fair value less costs to sell and value in use. If the recoverable amount of a cash-generating unit is lower than its carrying amount, at first a goodwill impairment loss is recorded in the amount of the difference.

The goodwill derived from the carve-out of the Siemens Group has been allocated to the operating segments Retail and Banking. As of September 30, 2014, the aggregate carrying amounts of material goodwill amount to €205,191k (2012/2013: €204,474k) for "Banking Carve-out" and to €87,939k (2012/2013: €87,632k) for "Retail Carve-out." Goodwill resulting from subsequent acquisitions has been individually allocated to the areas within the segments Retail and Banking. These cash-generating units refer to the lowest level within the Wincor Nixdorf Group at which goodwill is monitored for management purposes. As of September 30, 2014, goodwill allocated to cash-generating unit "Banking Europe" amounts to €24,712k (2012/2013: €24,711k), the total amount of the remaining goodwill is €17,389k (2012/2013: €17,221k).

In the case of Wincor Nixdorf, the recoverable amount equals the value in use, which is determined by the discounted cash flow method. The basis for the determination of future cash flows is data from the detailed Group planning for the periods until 2016/2017. The cash flow projections take into account past experience, current operating profits and influences of expected future market developments of the respective segments and geographical sub markets. Possible future cash flows from acquisitions are not included. The assumptive continual growth of 1.5% (2012/2013: 1.5%) for perpetuity complies with the general expectation of the business development of the cash-generating units.

The compulsory weighted average cost of capital for impairment testing is determined by the Capital Asset Pricing Model. The cost of capital is composed of a risk-free interest rate and the market risk premium. Moreover, the beta derived from the peer group, the debt capital spread as well as the capital structure is considered. Furthermore, tax rates attributable to the cash-generating units and country risks are included.

The present value of expected cash flows is calculated by discounting the free cash flows, with an interest rate before taxes between 7.9 and 10.5% (2012/2013: 5.9 to 9.5%); for the cash-generating units Retail and Banking and Banking Europe a discount rate of 9.8% has been applied, resembling the referring rate of return of the business units.

In fiscal 2013/2014, no impairment was necessary. There are also no indications for impairment under consideration of sensitivity analyses [5] of possible changes in key assumptions.

[5]
Glossary: p. 137

The following table presents the key assumptions used for the impairment test of the cash-generating units in order to determine the value in use:

€k

	2013/2014			2012/2013		
	Goodwill	Long-term growth rate	Interest rate	Goodwill	Long-term growth rate	Interest rate
Banking (Carve-out)	205,191	1.5%	9.8%	204,474	1.5%	9.5%
Retail (Carve-out)	87,939	1.5%	9.8%	87,632	1.5%	9.5%
Banking Europa	24,712	1.5%	9.8%	24,711	1.5%	9.5%
Other cash-generating units	17,389	1.5%	7.9–10.5%	17,221	1.5%	5.9–9.5%
Total	**335,231**			**334,038**		

Leasing.

A lease is an agreement whereby the lessor assigns to the lessee the right to use an asset for an agreed period of time in return for a payment or series of payments. Leases are classified as either finance or operating leases. Leasing transactions that transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee are classified as finance leases. All other leasing agreements are classified as operating leases.

Where Wincor Nixdorf is the lessor in an operating lease, the lease payments received are recognized in income. The leased asset remains on the balance sheet of the lessor.

Where Wincor Nixdorf is the lessee in an operating lease, the lease payments are expensed.

Where Wincor Nixdorf is the lessor in a finance lease, the net investment in the lease is reflected in sales and a leasing receivable is recognized. The lease payments received are divided into the principal portion and the interest income using the effective-interest method.

Where Wincor Nixdorf is the lessee in a finance lease, the leased asset is capitalized at the lower of the fair value or present value of the minimum lease payments at the beginning of the lease term, and simultaneously recognized under financial liabilities. The minimum lease payments essentially comprise financing costs and the principal portion of the remaining obligation. The leased asset is depreciated by the straight-line method over the estimated useful life or the shorter lease term. The lease payments to be made are divided into the principal portion and the interest expense using the effective-interest method.

Leasing agreements where Wincor Nixdorf is the lessor in an operating lease or finance lease are agreements in connection with the rental of ATMs and POS systems.

Reworkable Service Parts and Current Inventories.

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

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

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

Write-downs for inventory risks are undertaken to an appropriate and adequate extent. Lower net realizable values are used where required. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. If the reasons for a lower valuation no longer apply to inventories that have formerly been written down and the net selling price has therefore risen, the reversal of the write-down is recognized in the Group income statement as a reduction of cost of sales.

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

Other Receivables and Liabilities.

Non-financial assets and liabilities as well as accrued items and advance payments are carried at amortized costs.

Financial Instruments.

Basic Information. Financial assets are recognized if Wincor Nixdorf has a contractual right to receive cash or another financial asset from another party. Financial liabilities are recognized if Wincor Nixdorf has a contractual obligation to transfer cash or other financial assets to another party. Purchases and sales of financial assets are basically recognized as of the settlement date. However, purchases and sales of securities are accounted for with the settlement price and derivatives with the acquisition costs at trade date.

Financial assets and liabilities are initially measured at fair value. The carrying amount of financial instruments that are not measured at fair value through profit or loss in subsequent periods includes also the directly attributable transaction costs.

Wincor Nixdorf does not use the option to categorize financial assets or financial liabilities at fair value through profit or loss (Fair Value Option (FVO)) when initially recognized, with the exception of the issue described in Notes [10] and [21].

Subsequent measurement of financial instruments recognized in the Group accounts is in line with the measurement categories defined in IAS 39 "Financial Instruments: Recognition and Measurement":

- Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVO and held for trading (HfT)): at fair value
- Held-to-Maturity Investments (HtM): at amortized cost
- Loans and Receivables (LaR): at amortized cost
- Available-for-Sale Financial Assets (AfS): at fair value or at cost
- Financial Liabilities (FLAC): at amortized cost

There were no reclassifications between the different IAS 39 measurement categories in the year under review.

Financial assets and liabilities are reported without being offset. They are only offset when there is a legal right to do so and the enterprise intends to settle them on a net basis. The recognized carrying amount of current financial assets and liabilities is an appropriate estimate of the fair value.

In accordance with IAS 39, an impairment loss is recognized when there are substantial, objective indications of impairment of a financial asset. The carrying amounts of financial assets not carried at fair value are examined for impairment requirements both individually (specific allowances for impairment losses) and in groups with similar default risk profiles (specific impairment allowances calculated on a portfolio basis). Objective evidence includes, for example, considerable financial difficulty of the debtor obligor, disappearance of an active market, and significant changes in the technological, market, economic, or legal environment. A significant or prolonged decline in fair value of an equity instrument is an objective evidence of impairment. The expenses are recorded in profit and loss under the functional costs. Appropriate risk provisioning was recognized for all discernible risks of default. The theoretically maximum remaining risk of default of financial assets is therefore the same as their recognized carrying amounts.

Financial assets are derecognized when the contractual rights to cash flows end, or substantially all the risks and rewards of ownership are transferred to another party. Financial liabilities are derecognized when the contractual obligation is settled or legally revoked.

Net gains and losses from financial instruments essentially include changes of write-downs and foreign currency valuation effects recognized in net profit on operating activities and interest income and expenses recognized in the financial result.

For information on risk management please refer to Note [21] and/or to the Group Management Report [6].

Investments. IAS 39 divides these financial instruments into the categories of "financial assets at fair value through profit or loss," "held to maturity," "available for sale," or "loans and receivables." Investments measured and managed internally at fair value and designated accordingly on initial recognition are categorized as financial assets at fair value through profit or loss. Investments whose fair value may be reliably measured are classified as "Available-for-Sale Financial Assets" and measured at fair value; changes in fair value will be recognized in other comprehensive income. If this is not possible, investments are measured at cost.

Loans are credits that are classified as "loans and receivables" according to IAS 39. Measurement in subsequent periods is at amortized cost using the effective-interest rate method.

Receivables and Other Assets. Receivables and other assets are sub-classified into "Trade Receivables" and "Other Receivables and Other Assets."

First-time recognition of "Trade Receivables" is at fair value plus directly attributable transaction costs. Measurement in subsequent periods is at amortized cost using the effective-interest rate method due to the "loans and receivables" measurement category.

"Other Receivables and Other Assets" comprise both non-financial assets and financial assets including derivative financial instruments. With the exception of derivative financial instruments, financial assets are measured at fair value plus directly attributable transaction costs at first-time recognition. They are assigned to the "loans and receivables" category under IAS 39, and are measured at amortized cost using the effective-interest rate method in subsequent periods. Non-financial assets are measured in line with the respective applicable standard.

Cash and Cash Equivalents. Cash and cash equivalents include marketable securities as well as cash in hand and cash at bank (including checks). Cash on hand and bank balances are measured at fair value plus directly attributable transaction costs at first-time recognition. They are assigned to the "loans and receivables" category under IAS 39, and are therefore measured at amortized cost in subsequent periods using the effective-interest rate method. Foreign currency stocks are valued at their mid-price on the balance sheet date. Bank balances and securities included in cash and cash equivalents have a remaining term of up to three months on acquisition.

[6] Report on Opportunities and Risks: p. 80 et seq.

At Wincor Nixdorf, securities are principally allocated to the categories "financial assets at fair value through profit or loss" or "available for sale financial assets." Both categories are initially and subsequently measured at fair value. In order to determine the fair value of marketable securities at the balance sheet date, respective quotations of banks have been obtained and market prices of trading systems have been used. Changes in value of the securities classified as "financial assets at fair value through profit or loss" are recorded in finance income and finance costs. Changes in securities classified as "available for sale financial assets" are shown within equity under consideration of deferred tax effects. At the selling date, realized gains or losses are recorded in finance income and finance costs.

Financial Liabilities. Primary financial instruments include financial liabilities, trade payables and non-derivative other financial liabilities. Trade payables and non-derivative other financial liabilities include amounts for outstanding invoices and deferred staff liabilities. In accordance with IAS 39, primary financial liabilities are stated at fair value at initial recognition, considering directly attributable transaction costs. Measurement in subsequent periods is at amortized cost using the effective-interest rate method.

Derivative Financial Instruments. Derivative financial instruments of the Group comprise hedging instruments used to manage interest rates and exchange rate fluctuations. These instruments serve to reduce income volatility. No derivatives are held for trading purposes. Nevertheless, derivatives not meeting the requirements for hedge accounting in accordance with IAS 39, or for which the hedged item no longer exists, are classified as "held for trading."

The scope of hedge accounting by financial derivatives comprises recognized, pending and highly probable hedged items. In accordance with IAS 39, derivatives meet the recognition criteria for assets and liabilities, as a result of which they must be capitalized (other assets) or expensed (other liabilities) at fair value.

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

Accruals for Pensions and Similar Commitments.

Accruals in respect of beneficiaries' and pensioners' pension obligations are created using the projected unit credit method. This method takes account not only of known pensions and known earned future pension entitlements at the balance sheet date, but also of expected future increases in pensions and salaries having estimated the relevant influencing factors.

Plan assets measured at fair value are netted with directly related pension obligations. A negative net obligation arising from prepaid future contributions is only recognized as an asset to the extent that a cash refund from the plan or reductions of future contributions to the plan are available ("asset ceiling"). Any exceeding amount is recognized in equity in the period when it is incurred. The interest on plan assets and defined benefit obligations is calculated with a single interest rate in accordance with the provisions of IAS 19 (revised 2011).

According to IAS 19.83 the discount rate used to discount accruals for pensions and similar commitments has to be determined at each valuation date. The discount rate is based on the market yields on high-quality corporate bonds and with that at low-risk. The terms of the corporate bonds have to be consistent with the estimated terms of the obligations. Unchanged to the previous fiscal year, as of September 30, 2014, Wincor Nixdorf applies the "Mercer Yield Curve approach" (MYC) of the consultancy firm Mercer. The interest rate determination of the MYC is based on a selection of AA-rated corporate bonds according to Bloomberg analysis.

Pension expenses are recorded immediately in the relevant year's profit for the period. Service cost is presented in the functional costs and – from the start of the current fiscal year - the net interest on net defined benefit liability in the financial result. For materiality reasons the previous year has not been restated. Effects from remeasurements of the net defined benefit liability are fully recognized in the fiscal year in which they occur. They are reported as a component of other comprehensive income in the statement of comprehensive income. They remain outside profit or loss in subsequent periods as well.

Other Accruals.

Other accruals are created on the balance sheet in respect of legal or actual obligations to third parties resulting from past events, as well as for onerous contracts where the outflow of funds to settle such obligations is probable and can be estimated reliably.

Other accruals are measured in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" or IAS 19 "Employee Benefits." The values used for such accruals are based on the best estimate. Where required, accruals are stated net of unaccrued interest. Claims for reimbursements from third parties are capitalized separately if their realization is virtually certain.

Accruals for restructuring costs are recognized in accordance with IAS 37.70 et seq. when the Group has a detailed formal plan for the restructuring and has notified the affected parties. Those accruals only cover expenses that arise directly from restructuring measures, are necessary for restructuring, and are not related to future business operations.

Where income from an order does not cover prime cost, accruals are created for onerous contracts to the value of the variance between income and expenses.
Where delay and contract penalties are agreed in contracts for the supply of goods and/or services, and where the incurrence of penalties is probable in the light of the current position, a corresponding accrual for delay and contract penalties is created.

Share-based Payment Transactions.

Share options, i.e., share-based payment transactions settled by the issuance of equity instruments, are measured at fair value at the grant date. The fair value of the obligation is recognized during the vesting period as a personnel expense and in equity. The fair value is obtained using the internationally recognized Black-Scholes-Merton formula.

NOTES TO THE GROUP INCOME STATEMENT.

[1] Net Sales. Net sales are comprised as follows:

€k

	2013/2014	2012/2013
Hardware	1,126,834	1,185,075
Software/Services	1,342,584	1,279,929
	2,469,418	**2,465,004**

[2] Gross Profit. Gross margin on net sales has not changed compared to the previous year and amounts to 22.0% (2012/2013: 22.0%). The foreign currency gains and losses of –€8,299k (2012/2013: –€9,799k) shown in the Group income statement are essentially comprised within the cost of sales.

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

[4] Other Operating Income. Other operating income of €25,752k (2012/2013: €202k) primarily results from the gain from the sale of real estate in the amount of €25,743k.

[5] Finance Income and Finance Costs. Finance income and finance costs are comprised as follows:

€k

	2013/2014	2012/2013
Income from securities and other income	126	135
Interest and similar income	883	985
Finance income	**1,009**	**1,120**
Interest and similar expenses	–6,766	–6,768
Interest element within additions to long-term accruals and other finance costs	–2,821	–1,542
Finance costs	**–9,587**	**–8,310**
	–8,578	**–7,190**

[6] Income Taxes.

€k

	2013/2014	2012/2013
Current taxes on income and profit	–39,560	–29,064
Deferred tax income and expenses	–2,724	–7,428
	–42,284	**–36,492**

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

The deferred taxes are the result of time-related variances in reported values between the tax accounts of individual companies and the values of the Group balance sheet, using the liability method, plus capitalization of tax losses capable of being carried forward. In reviewing the amount of a deferred tax asset recognized in the balance sheet, it is crucial to assess whether it is probable that temporary differences will reverse and tax losses carried forward will be utilized, being the basis for the recognition of deferred tax assets. This is dependent on future taxable profits arising in those periods when taxable temporary differences reverse and tax losses carried forward may be utilized. Based on past experience and the projected development of taxable profit, Wincor Nixdorf assumes that the corresponding benefits associated with deferred tax assets will be realized. A deferred tax asset will be recognized to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. As of September 30, 2014, tax losses carried forward exist in the amount of €10,111k (2012/2013: €10,804k) and temporary differences in the amount of €9,417k (2012/2013: €979k) on which no deferred tax asset has been capitalized. Tax losses amounting to €6,463k for which no deferred tax assets were recognized account for the period until 2025.

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

Actual tax expenses are €1,631k below (2012/2013: €810k below) those which would be expected to be arrived at through the application of the ultimate parent company's tax rate.

As of September 30, 2014, unchanged to the previous year, all German deferred taxes were calculated in respect of temporary differences using a combined tax rate of rounded 30%. The reported value of all deferred taxes on tax losses carried forward was arrived at by using tax rates as, in the previous year, of 14% for municipal corporate income tax and 16% for corporation tax and solidarity tax.

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

€k

	2013/2014	2012/2013
Profit before income taxes	**146,384**	**124,341**
Expected tax expenses based on a tax rate of 30%	**–43,915**	**–37,302**
Differences from expected tax expenses		
Difference to local tax rates	2,450	2,125
Increases/decreases in tax due to tax-exempt income and non-tax-deductible expenses	2,292	–2,723
Corrections relating to other periods and other effects	–808	1,830
Changes of allowances/non-recognition of deferred taxes on current losses and temporary differences	–3,223	–2,358
Usage of deferred tax assets not recognized in previous years	250	1,454
Others	670	482
Total adjustments	**1,631**	**810**
Actual tax expenses	**–42,284**	**–36,492**

The effective tax rate is 28.9% (2012/2013: 29.3%).

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

€k

	Sept. 30, 2014		Sept. 30, 2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	70	62,141	52	58,506
Property, plant and equipment	6,743	588	5,202	1,032
Investments	58	1,663	2	822
Inventories	14,751	2,816	14,800	474
Receivables and other current assets	5,778	4,660	2,588	2,040
Pension accruals	17,070	440	9,357	405
Other accruals	21,241	961	27,093	849
Liabilities	18,763	264	6,060	179
Losses carried forward	2,357	0	1,871	0
	86,831	**73,533**	**67,025**	**64,307**
Netting off of deferred tax assets and liabilities	–45,941	–45,941	–35,900	–35,900
	40,890	**27,592**	**31,125**	**28,407**

The changes in deferred tax assets and liabilities shown above are recognized in profit or loss with the following exceptions, which are charged directly to equity:

In the deferred tax assets to pension accruals revaluations of the net defined liability with an equity increasing effect of €18,989k (2012/2013: €11,887k) are included.

Changes in equity to the fair value of financial instruments that meet the requirements of IAS 39 for hedge accounting had an equity-enhancing effect of deferred taxes in the amount of €5,307k (2012/2013: €956k) and are presented in the deferred tax liabilities to receivables and other assets in the amount of €0k (2012/2013: €774k) and the deferred tax assets to liabilities of €5,307k (2012/2013: €1,730k).

[7] Earnings per Share. Basic earnings per share are calculated by dividing profit or loss attributable to shareholders of Wincor Nixdorf AG by the weighted average number of shares outstanding. Diluted earnings per share additionally reflect the potential dilution that would occur if stock option plans (Note [16]) were exercised.

In fiscal 2013/2014 as well as in fiscal 2012/2013 no potentially dilutive ordinary shares had to be considered, as the average market price of ordinary shares during the period did not exceed the exercise price of the options.

	2013/2014	2012/2013
Profit attributable to equity holders of Wincor Nixdorf AG (€k)	100,885	87,128
Number of shares outstanding as of October 1 (in thousands)	29,776	29,776
Number of shares outstanding as of September 30 (in thousands)	29,816	29,776
Weighted average number of shares outstanding (in thousands)	29,796	29,776
Basic earnings per share (€)	**3.39**	**2.93**
Number of potentially dilutive ordinary shares (in thousands)	0	0
Weighted average number of shares used to compute diluted earnings per share (in thousands)	29,796	29,776
Diluted earnings per share (€)	**3.39**	**2.93**

NOTES TO THE GROUP BALANCE SHEET.

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

€k

	Commercial patents and similar rights/items plus licenses to such rights/items	Product know-how	Goodwill	Total
Cost of acquisition or production				
Balance as of October 1, 2012	**56,557**	**1,726**	**337,590**	**395,873**
Currency translation	–599	0	–387	–986
Additions	7,083	0	0	7,083
Disposals	–10,176	–1,726	0	–11,902
Balance as of September 30, 2013/ October 1, 2013	**52,865**	**0**	**337,203**	**390,068**
Currency translation	692	0	1,194	1,886
Additions	11,551	0	0	11,551
Transfers	8	0	0	8
Disposals	–6,579	0	0	–6,579
Balance as of September 30, 2014	**58,537**	**0**	**338,397**	**396,934**
Amortization				
Balance as of October 1, 2012	**43,068**	**1,726**	**3,165**	**47,959**
Currency translation	–494	0	0	–494
Amortization for the fiscal year	7,068	0	0	7,068
Disposals	–10,135	–1,726	0	–11,861
Balance as of September 30, 2013/ October 1, 2013	**39,507**	**0**	**3,165**	**42,672**
Currency translation	692	0	0	692
Amortization for the fiscal year	8,165	0	0	8,165
Transfers	2	0	0	2
Disposals	–6,558	0	0	–6,558
Balance as of September 30, 2014	**41,808**	**0**	**3,165**	**44,973**
Carrying amount as of September 30, 2014	**16,729**	**0**	**335,232**	**351,961**
Carrying amount as of September 30, 2013	**13,358**	**0**	**334,038**	**347,396**

During fiscal 2013/2014, the acquisitions, which mainly relate to commercial patents and licenses for outsourcing projects and own infrastructure, resulted in additions of €11,551k (2012/2013: €7,083k).

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

€k

	Land, buildings, and other equivalent rights	Plant and machinery	Other fixed assets and office equipment	Products leased to customers	Equipment under construction	Total
Cost of acquisition or production						
Balance as of October 1, 2012	**57,038**	**62,947**	**289,656**	**12,996**	**3,661**	**426,298**
Currency translation	–727	–454	–2,109	–210	–5	–3,505
Additions	2,148	3,461	27,518	2,069	4,039	39,235
Transfers	–2	2	3,527	–19	–3,508	0
Disposals	–1,966	–9,413	–27,257	–1,678	0	–40,314
Reclassifications	0	–204	204	0	0	0
Balance as of September 30, 2013/ October 1, 2013	**56,491**	**56,339**	**291,539**	**13,158**	**4,187**	**421,714**
Currency translation	712	617	1,944	161	26	3,460
Additions	3,396	2,301	35,939	1,201	4,983	47,820
Transfers	245	445	3,356	0	–4,054	–8
Disposals	–9,286	–5,816	–27,904	–787	0	–43,793
Reclassifications	0	0	159	0	–159	0
Balance as of September 30, 2014	**51,558**	**53,886**	**305,033**	**13,733**	**4,983**	**429,193**
Depreciation						
Balance as of October 1, 2012	**25,764**	**45,228**	**209,534**	**5,971**	**0**	**286,497**
Currency translation	–409	–354	–1,707	–108	0	–2,578
Depreciation for the fiscal year	3,177	2,975	37,768	2,145	0	46,065
Transfers	0	0	6	–6	0	0
Disposals	–1,884	–8,677	–25,285	–1,028	0	–36,874
Reclassifications	0	–59	59	0	0	0
Balance as of September 30, 2013/ October 1, 2013	**26,648**	**39,113**	**220,375**	**6,974**	**0**	**293,110**
Currency translation	323	492	1,984	129	0	2,928
Depreciation for the fiscal year	3,167	2,848	38,236	1,947	0	46,198
Transfers	1	–4	–7	0	8	–2
Disposals	–4,788	–5,493	–27,182	–511	0	–37,974
Reclassifications	0	0	8	0	–8	0
Balance as of September 30, 2014	**25,351**	**36,956**	**233,414**	**8,539**	**0**	**304,260**
Carrying amount as of September 30, 2014	**26,207**	**16,930**	**71,619**	**5,194**	**4,983**	**124,933**
Carrying amount as of September 30, 2013	**29,843**	**17,226**	**71,164**	**6,184**	**4,187**	**128,604**

Additions to property, plant and equipment are valued at €47,820k (2012/2013: €39,235k), with large individual elements of this being other fixed assets and office equipment at €35,939k (essentially IT equipment and specialist tools), and equipment under construction at €4,983k.

Products leased to customers concern automated teller machines, which are leased in the scope of operating lease contracts. The minimum lease periods are between three and ten years, with extension options in existence under identical terms.

The future minimum lease payments under all non-redeemable lease agreements are as follows:

€k

	Sept. 30, 2014	Sept. 30, 2013
Residual term up to 1 year	8,262	3,473
Residual term between 1 and 5 years	26,267	8,661
Residual term more than 5 years	1,498	1,609
	36,027	**13,743**

[10] Investments and Investments Accounted for Using the Equity Method. Among investments, interests, loans, and other receivables are recorded.

The 6% interest in WINCOR NIXDORF Immobilien GmbH & Co. KG, Paderborn, is – unchanged to the previous year – accounted for "financial assets at fair value through profit or loss (FVO)." The measurement at fair value showed a decrease in the fair value of €14k as of September 30, 2014 (2012/2013: no change) and the net book value amounts to €1,047k as of September 30, 2014 (2012/2013: €1,061k). This investment does not have a quoted market price in an active market; therefore existing contractual settlements were used in order to calculate the fair value.

The following tables show the summarized financial information of the Group's joint ventures:

€k

	Sept. 30, 2014	Sept. 30, 2013
Current assets	21,423	27,044
Non-current assets	9,235	3,892
Current liabilities	16,189	12,021
Non-current liabilities	4,587	3,922

€k

	2013/2014	2012/2013
Net sales	61,132	66,986
Net income	1,488	3,451

The result from equity-accounted investments including the elimination of prorated intra-Group profits amounting to –€1,348k (2012/2013: €733k) include the results of CI Tech Components AG, Burgdorf, Switzerland, as well as of WINSERVICE AS, Oslo, Norway.

[11] Reworkable Service Parts. Where necessary, the lower net realizable value was used, with due regard to selling and production costs still to be incurred. The total book value of reworkable service parts, valued as of September 30, 2014, at their lower of cost and net realizable value, was €27,448k (2012/2013: €27,498k). Write-down of reworkable service parts reported under cost of sales is €6,585k (2012/2013: €6,454k).

[12] Receivables and Other Assets. Trade receivables are comprised as follows:

€k

	Sept. 30, 2014	Sept. 30, 2013
Trade receivables, gross	549,704	462,856
less: allowance for doubtful accounts	–24,326	–22,868
Trade receivables, net	**525,378**	**439,988**

Trade receivables with an amount of €5,749k (2012/2013: €6,052k) become due after one year.

Allowances for trade receivables have changed as shown in the following table:

€k

	Specific allowances		Portfolio-based allowances		Total	
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
Balance as of October 1	19,190	13,584	3,678	3,482	22,868	17,066
Changes in allowances with effect on profit and loss	1,079	5,606	379	196	1,458	5,802
Balance as of September 30	**20,269**	**19,190**	**4,057**	**3,678**	**24,326**	**22,868**

On the balance sheet date trade receivables, which are past due but not impaired, exist as follows:

€k

	Past due 1 – 30 days	Past due 31 – 180 days	Past due more than 180 days
September 30, 2014	**54,884**	**56,397**	**57**
September 30, 2013	42,572	36,117	985

With respect to trade receivables as at the balance sheet date past due but not impaired, based on credit history and current credit ratings, there are no indications that customers will not be able to meet their obligations. This also applies to the trade receivables that are neither past due at the balance sheet date nor impaired.

Trade receivables comprise receivables from finance leases in the amount of €12,274k (2012/2013: €8,391k). The leasing contracts are originally concluded for a term of up to ten years. There was no impairment requirement on finance lease receivables in fiscal 2013/2014 and 2012/2013.

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

	Sept. 30, 2014	Sept. 30, 2013
Residual term up to 1 year	6,545	3,551
Residual term between 1 and 5 years	5,694	4,840
Residual term more than 5 years	35	0
	12,274	**8,391**

Residual Terms of Total Gross Investment in the Lease. €k

	Sept. 30, 2014	Sept. 30, 2013
Residual term up to 1 year	7,195	3,920
Residual term between 1 and 5 years	6,073	5,056
Residual term more than 5 years	37	0
Unearned finance income	–1,031	–585
Present value of minimum lease payments receivable	**12,274**	**8,391**

Other receivables and other assets comprise the following:

€k

	Sept. 30, 2014		Sept. 30, 2013	
	Total	Due > 1 year	Total	Due > 1 year
Receivables from related companies	3,305	0	1,123	0
Current income tax assets	8,172	0	9,942	0
Other assets	65,581	10,208	52,633	7,109
	77,058	**10,208**	**63,698**	**7,109**

Other assets include the following items:

€k

	Sept. 30, 2014		Sept. 30, 2013	
	Total	Due > 1 year	Total	Due > 1 year
Sales tax	19,820	0	12,919	0
Surplus of plan assets	1,501	1,501	1,072	1,072
Prepaid expenses	24,886	6,163	20,815	2,875
Other	5,958	18	5,332	114
Other non-financial assets	**52,165**	**7,682**	**40,138**	**4,061**
Forward currency transactions	1,540	0	3,361	0
Receivables from employees	1,807	3	1,147	1
Other	10,069	2,523	7,987	3,047
Other financial assets	**13,416**	**2,526**	**12,495**	**3,048**
	65,581	**10,208**	**52,633**	**7,109**

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

As of September 30, 2014, these items include deferred tax assets of €40,890k (2012/2013: €31,125k) and deferred tax liabilities of €27,592k (2012/2013: €28,407k), after netting off deferred tax liabilities with deferred tax assets. Deferred tax assets of €2,357k (2012/2013: €1,871k) are the result of the probable future utilization of tax losses carried forward. Further explanatory notes on deferred tax assets are contained in Note [6].

[14] Inventories.

€k

	Sept. 30, 2014	Sept. 30, 2013
Raw materials and supplies	85,254	85,858
Unfinished goods	19,874	21,477
Finished goods and merchandise	236,813	208,562
Advances made	1,455	816
	343,396	**316,713**

Where necessary, the lower net realizable value was used, with due regard to selling and production costs still to be incurred. The total book value of inventories valued as of September 30, 2014, at their lower of cost and net realizable value, was €112,879k (2012/2013: €108,934k). Inventory impairment reported under cost of sales is €8,780k (2012/2013: €9,777k).

[15] Cash and Cash Equivalents. The cash in hand of €3,266k (2012/2013: €4,518k) mainly includes test cash for automated teller machines. Bank balances add up to €38,497k (2012/2013: €38,411k). Checks amount to €1,821k (2012/2013: €245k).

[16] Group Equity. The changes in Group equity and individual elements thereof are shown in detail in the "Changes in Group Equity" table.

Distributions. Wincor Nixdorf remains committed to the existing dividend policy: as regards the dividend for fiscal 2013/2014, profit for the period in the amount of €104,100k will again form the basis for dividend calculations. The aim is to distribute around 50% of this amount to shareholders in the form of a dividend.

For the reporting period a dividend of €1.75 (2012/2013: €1.48) per qualifying share will be proposed to the Supervisory Board. This corresponded to a total distribution of €52,178k on the date on which the Group financial statements were released by the Board of Directors. Based on the closing share price of €40.56 as of September 30, 2014, the dividend yield is 4.31%. The dividend will be paid out on January 20, 2015, subject to the approval of the Annual General Meeting (in the following "AGM").

Under the German Stock Corporation Act (AktG), the dividend payment is determined by the unappropriated profit reported in the annual financial statements of Wincor Nixdorf AG, which are prepared according to the German Commercial Code. As of September 30, 2014, the unappropriated profit of Wincor Nixdorf AG amounted to €268,799k. The undistributed portion of unappropriated profit, amounting to €216,621k, will be carried forward to new account.

The amount of €44,069k (€1.48 per share) was distributed in fiscal 2013/2014 to Wincor Nixdorf AG equity holders.

Capital Management. As a matter of principle, Wincor Nixdorf pursues the goal of generating an appropriate return on invested capital. However, the Group's reported equity serves merely as a passive management parameter, with sales and EBITA applied as active management parameters. As described above, about half of the profit for the period is paid out as dividend. The remaining amount is reserved and not paid out.

Subscribed Capital. The capital stock is divided into 33,084,988 no-par shares ("Stückaktien" governed by German law). All shares issued up to and including September 30, 2014, are fully paid-up. Each share is granted equal voting rights and equal dividend entitlement. Changes in the number of shares issued and entitled to dividend were as follows:

As of October 1, 2013	**29,776,490**
Issuance/disposal of treasury shares	39,721
As of September 30, 2014	**29,816,211**
Weighted average of shares in fiscal 2013/2014	29,796,351

Treasury Shares. The vesting period for the 2010 share-based payment program expired on April 6, 2014. Of the 563,000 share options issued 449,560 have been exercised. The share options were redeemed by the allocation of 39,721 treasury shares.

As of September 30, 2014, the total number of treasury shares held by the Company was 3,268,777. This equals 9.88% of the subscribed capital. The acquisition costs, including ancillary costs of acquisition to the amount of €111k, amounting to €173,712k were deducted in full from equity.

Authorized Share Capital. As the result of a resolution at the AGM on January 20, 2014, the Board of Directors has been authorized to increase the Company's share capital with the Supervisory Board's approval by up to €16,542,494.00 through the issue for cash and/or contributions in kind of new ordinary bearer shares under single or multiple initiatives up to January 19, 2019.

Contingent Share Capital. The share capital is conditionally increased by up to €1,654,249.00, divided into up to 1,654,249 bearer shares (Contingent Share Capital I 2014). This Contingent Share Capital increase is to be used exclusively to cover stock options issued to members of the Company's Management Board, board members of subordinate associated companies within and outside of Germany, and to other executives and employees of the

Company and its subordinate associated companies, as specified in detail in the authorization resolved by the AGM on January 20, 2014. It shall only be effected to the extent that bearers of share options exercise their right to subscribe for Company shares and the Company does not provide the consideration in cash or by means of its own shares. The new shares shall carry dividend rights from the beginning of the fiscal year in which they are issued. Should the issue take place before the ordinary AGM, the new shares shall be entitled to dividends for the previous fiscal year as well.

The share capital is conditionally increased by up to €10,000,000.00, divided into up to 10,000,000 bearer shares (Contingent Share Capital II). The Contingent Share Capital increase to create Contingent Share Capital II shall be carried out only insofar as the holders of option or conversion rights, or the parties who have conversion/option obligations from participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds that are issued or guaranteed up to January 20, 2018, by the Company or a dependent Group company of the Company within the meaning of Section 17 German Stock Corporation Act (AktG), pursuant to the authorization adopted by the AGM on January 21, 2013, make use of their option or conversion rights or, if they have conversion/option obligations, fulfill their conversion/option obligation. The new shares shall be issued at the option or conversion price to be defined in accordance with the above authorization adopted. The new shares shall carry dividend rights from the beginning of the fiscal year in which they are issued pursuant to the exercise of option and conversion rights or fulfillment of option or conversion obligations. If they are issued before the ordinary AGM, the new shares shall be entitled to dividends for the previous fiscal year as well. The Board of Directors is authorized, with the consent of the Supervisory Board, to define the further details of the Contingent Share Capital increase.

[7] Takeover-related Disclosures: p. 74 et seq.

Authorization to issue participatory certificates with warrants and/or convertible participatory certificates and/or convertible bonds and/or bonds with warrants and/or income bonds and to exclude the subscription right. The Board of Directors was authorized by the AGM on January 21, 2013, with the consent of the Supervisory Board, once or several times up to January 20, 2018,

- to issue bearer participatory certificates (i) to which bearer participatory certificates with warrants are attached or (ii) that are attached to a conversion right for the holder for a maximum term of 20 years as of their issue, and to grant option rights to the holders of participatory certificates with warrants and conversion rights to the holders of convertible participatory certificates to bearer shares in the Company as detailed by the conditions of the participatory certificates with warrants or convertible participatory certificates

and instead of or in addition

- to issue bearer bonds with warrants and/or bearer convertible bonds and/or bearer income bonds (hereinafter referred to jointly as "bonds with warrants and/or convertible bonds") with a maximum term of 20 years and to grant option rights to the holders of bonds with warrants and conversion rights to the holders of convertible bonds to bearer shares in the Company as detailed by the conditions of the bonds with warrants or convertible bonds.

The aggregate principle amount of the participatory certificates with warrants and/or convertible participatory certificates and/or bonds with warrants and/or convertible bonds to be issued under this authorization shall not exceed €500,000,000.00. Option rights or conversion rights shall only be issued for Company shares that account for a maximum total of €10,000,000.00 of the capital stock.

The Board of Directors was also authorized to exclude the subscription right of shareholders in certain cases.

For details and other conditions to the authorization and exclusion of the subscription right, please refer to the section "Takeover-related Disclosures"[7] of the Group Management Report.

Retained Earnings. Other retained earnings contain the cumulative profits made by the subsidiary companies included in the Group financial statements, the profit for the period, other consolidation reserves, reserves resulting from expired share-based payment programs, actuarial gains and losses recognized in other comprehensive income, and effects of the limit on plan assets as well as corresponding deferred tax effects.

Other Components of Equity. Other components of equity consist of all amounts recognized directly in equity resulting from the translation of the financial statements of foreign subsidiaries, the effects of recognizing changes in the fair value of derivative financial instruments directly in equity, deferred taxes on items recognized directly in equity, as well as the additional funds received from the issue of shares and the personnel expenses arising from the share-based payment programs 2011 to 2014 (2012/2013: share-based payment programs 2010 to 2013) for management members.

Other Comprehensive Income. The table below presents the development of other comprehensive income and the associated tax effects:

Tax Effects Other Comprehensive Income. €k

	2013/2014			2012/2013		
	Gross result	Taxes	Net result	Gross result	Taxes	Net result
Cash flow hedges	–14,504	4,351	–10,153	3,976	–1,193	2,783
Exchange rate changes	10,500	0	10,500	–6,037	0	–6,037
Actuarial gains and losses	–25,393	7,437	–17,956	–6,181	1,910	–4,271
Other comprehensive income	**–29,397**	**11,788**	**–17,609**	**–8,242**	**717**	**–7,525**

Share-based Payment Program. Wincor Nixdorf has set up 11 share-based payment programs for managers since 2004 (2004–2014). The following conditions have to be applied to programs 2011 to 2013:

The vesting period of the share options is four years. Each share option entitles the bearer to purchase one share in the Company at the exercise price (strike price). There is no limit to the profit which can accrue upon purchase. In each case, the exercise price is equivalent to 112% of the average exchange price on the 30 stock exchange trading days that immediately preceded the issue of stock options on March 25, 2011 (program 2011), March 30, 2012 (program 2012) and March 22, 2013 (program 2013) (program 2011: €60.12, program 2012: €40.20, program 2013: €38.57); it takes account of distributions made during the life of the options, such as dividend payments and any drawing rights or other special rights. The target criteria have not been changed during the life of the programs until now. In order to sign up to acquire, and later exercise, share options employees must make a separate private investment in Company shares at a ratio of 1:10 (shares:share options), and such shares must be held by them until at least the end of the exercise period. The options can be exercised within a period of ten stock exchange trading days commencing on the first stock exchange trading day following expiration of the holding period of four years (exercise period). The vesting conditions also stipulate that the declaration of exercise may or must be issued during the specified vesting period of four years, within the last ten stock exchange trading days in XETRA on the Frankfurt Stock Exchange, effective from the end of the last day of the vesting period or a later date. The Company is entitled to settle the options either in shares or cash. Basically, the holder of the option has to remain in the Company's employ until the end of the vesting period.

As of March 26, 2014, Wincor Nixdorf granted 678,361 share options for an exercise price of €62.94 under another share-based payment program to its managers (share-based payment program 2014). The vesting period of the share options is four years. Each share option entitles the bearer to purchase one share in the Company at the exercise price (strike price). There is no limit to the profit which can accrue upon purchase. In each case, the exercise price is equivalent to 112% of the average exchange price on the 30 stock exchange trading days that immediately preceded the issue of stock options on March 26, 2014 (€56.20); it takes account of distributions made during the life of the options, such as dividend payments and any drawing rights or other special rights. The target criteria have not been changed during the life of the program until now. In order to sign up to acquire, and later exercise, share options employees must make a separate private investment in Company shares at a ratio of 1:10 (shares:share options), and such shares must be held by them until at least the end of the exercise period. The options can be exercised within a period of ten stock exchange trading days in Xetra on the Frankfurt Stock Exchange commencing on the first stock exchange trading day following expiration of the holding period of four years (exercise period). The vesting conditions also stipulate that the declaration of exercise may or must be issued during the specified vesting period of four-years, within the last ten stock exchange trading days in Xetra on the Frankfurt Stock Exchange, effective from the end of the last day of the vesting period or a later date. The Company is entitled to settle the options either in shares or cash. Basically, the holder of the option has to remain in the Company's employ until the end of the vesting period.

The underlying assumptions for the programs 2011–2014 are as follows:

	Program 2014	Program 2013	Program 2012	Program 2011
Granted share options	678,361	774,806	699,725	641,167
Fair value of the option at grant date	€7.58	€7.50	€6.57	€9.73
Exercise price of the option at grant date	€62.94	€43.20	€45.02	€67.33
Expected volatility	23.9%	31.5%	31.2%	24.5%
Option life	4 years	4 years	4 years	4 years
Expected dividends	€9.17	€7.85	€6.01	€7.83
Risk-free interest rate	0.400%	0.430%	1.200%	2.814%
Fluctuation rate	2.8%	2.8%	2.8%	2.8%

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

	2013/2014		2012/2013	
		Average exercise price		Average exercise price
	Number	€	Number	€
As of October 1	2,422,298	51.49	1,840,892	55.80
Granted during the period	678,361	62.94	774,806	43.20
Exercised during the period	449,560	56.38	0	–
Expired during the period	126,770	48.76	193,400	59.28
As of September 30	**2,524,329**	**53.83**	**2,422,298**	**51.49**
Exercisable as of September 30	0	–	0	–

Share options reported as of September 30, 2014, consist of options from share-based payment programs 2011 to 2014. The program 2011 will expire in March 2015, the program 2012 in March 2016, the program 2013 in March 2017 and the program 2014 in March 2018. The weighted average residual term of the programs is about 2 years.

The vesting period for the 2010 share-based payment program expired on April 6, 2014. Of the 563,000 share options issued 449,560 have been exercised. The weighted average share price at the date of exercise was €54.91 (unweighted average price on the 30 stock exchange trading days before the exercise date April 6, 2014). The share options were redeemed by the allocation of 39,721 treasury shares. The expenses incurred have been charged directly against equity, with no effect on profit or loss. From this, there was no change to the total number of shares issued.

The fair values of the options have been calculated by the application of the Black-Scholes-Merton formula. For the programs 2011 to 2014, the expected volatility is the average of the historic volatilities of EUREX options on the Wincor Nixdorf share for 3-month and 12-month periods.

During the fiscal year, personnel expenses in connection with the share-based payment programs amounted to €4,854k (2012/2013: €4,088k). The additional paid-in capital has been increased by this amount.

[17] Non-controlling Interests. Non-controlling interests are presented in detail in the "Changes in Group Equity" table.

[18] Accruals for Pensions and Similar Commitments. For certain groups of employees of the Group, post-employment benefit schemes are available. Schemes vary depending on the legal, economic, and tax environments of the respective country. They are primarily designed as defined benefit plans, but also as defined contribution plans. For defined benefit plans accruals for pensions and similar commitments are recorded for the net defined liability after taking account of amounts recognized as asset:

€k

	Sept. 30, 2014	Sept. 30, 2013
Present value of unfunded obligations	45,292	36,784
Present value of funded obligations	262,965	235,638
Fair value of plan assets	–231,561	–207,751
Past service cost not included in profit and loss	0	571
Effect of the asset ceiling	0	93
Net defined benefit liability	**76,696**	**65,335**
Therein amount recognized as asset	1,501	1,072
Accruals for pensions and similar commitments	**78,197**	**66,407**

The over-funding (amount recognized as asset) of €1,501k (2012/2013: €1,072k) is presented under other non-current assets.

Defined benefit plans. The significant defined benefit plans are arranged for employees in Germany and in Switzerland. There are inter alia also defined benefit plans in the United Kingdom, Belgium and France. The weighted average duration of the defined benefit plans is 10 years.

In Germany, post-employment benefit schemes are set up as employer funded pension plans as well as deferred compensation plans.

With regard to employment law, the employer funded pension commitments in Germany are based upon direct performance-related commitments in terms of defined contribution plans. Each beneficiary receives, depending on individual pay-scale grouping, contractual classification, or income level, different yearly contributions. The contribution is multiplied by an age factor appropriate to the current pension scheme and credited to the individual retirement account of the employee. The retirement accounts may be used up at retirement by either a one-time pay-off or payments of ten years' installments at maximum. Insured events are disability, death and reaching of retirement age.

In Switzerland, the post-employment benefit scheme stems from statutory provisions. The employees receive their pension payments as a function of contributions paid, a fixed interest rate and annuity factors. Insured events are disability, death and reaching of retirement age.

In June 2006, Wincor Nixdorf created plan assets according to IAS 19 as part of a Contractual Trust Arrangement ("CTA"), by transferring assets to a registered association (Wincor Nixdorf Pension Trust e.V.) in order to fund pension obligations to employees in Belgium, Germany, France and Switzerland. The association is investing in current and non-current assets; this way considering the maturity structure of the underlying pension obligations. The funding strategy is reviewed regularly by analyzing asset development as well as the current situation of the financial market. At the end of the current fiscal year, the CTA plan assets have been funded with additional €15,000k in cash (2012/2013: €0k).

In addition, in Switzerland, external plan assets are invested with a country-specific retirement fund. The plan assets are subject to minimum funding requirements in Switzerland.

The only considerable risk to which the plans expose Wincor Nixdorf Group is the capital market development. The latter is influencing the discount rate for the valuation of the defined benefit obligations as well as the interest on plan assets.

Change in Defined Benefit Obligation. €k

	Sept. 30, 2014	Sept. 30, 2013
Present value of defined benefit obligation as of October 1	272,422	264,735
Current service cost	7,378	7,191
Effects from settlements	–255	224
Interest cost	8,881	9,059
Effect of changes in demographic assumptions	–404	0
Effect of changes in financial assumptions	30,190	6,228
Effect of experience adjustments	–522	–1,805
Pension payments	–8,897	–7,567
Settlement payments from plan	–1,438	0
Member contributions	1,765	1,229
Taxes and insurance premiums	–67	0
Divestitures/transfers	–2,467	–5,657
Exchange rate differences	1,671	–1,215
Present value of defined benefit obligation as of September 30	**308,257**	**272,422**

Change in Plan Assets. €k

	Sept. 30, 2014	Sept. 30, 2013
Fair value of plan assets as of October 1	207,751	203,466
Interest income	6,847	11,162
Return on plan assets (excluding interest income)	4,239	–1,770
Member contributions	761	750
Employer contributions	1,588	1,712
Transfer to pension trust	15,000	0
Pension payments	–2,081	–886
Settlement payments from plan	–1,438	0
Taxes and insurance premiums	–67	0
Divestitures/transfers	–2,602	–5,657
Exchange rate differences	1,563	–1,026
Fair value of plan assets as of September 30	**231,561**	**207,751**

For fiscal 2014/2015, employer contributions to plan assets in the amount of €1,530k are expected.

Plan assets were invested in the following assets:

%

	Sept. 30, 2014	Sept. 30, 2013
Equity instruments	2.9	3.0
Debt instruments	11.4	9.0
Investment funds	39.7	41.3
Assets held by insurance company	10.1	9.8
Real estate	6.3	6.8
Short-term financial investments	29.6	30.1

Plan assets do not contain any own financial instruments. The real estate is primarily not used by the Group. Shares, debt instruments and investment funds have a quoted market price in an active market, whereas real estate and insurance contracts have not.

Effect of the Asset Ceiling. €k

	Sept. 30, 2014	Sept. 30, 2013
Effect of the asset ceiling as of October 1	93	110
Interest expense	5	0
Changes in asset ceiling (excluding interest expense)	–105	–12
Exchange rate differences	7	–5
Effect of the asset ceiling as of September 30	**0**	**93**

The effect of the asset ceiling results from the defined benefit plan in the United Kingdom.

Net Defined Benefit Liability Reconciliation. €k

	Sept. 30, 2014	Sept. 30, 2013
Net defined benefit liability as of October 1	65,335	62,025
Pension expenses	8,591	5,237
Actuarial gains/losses	25,025	6,193
Changes in asset ceiling (excluding interest expense)	–105	–12
Pension payments	–6,816	–6,681
Member contributions	1,004	479
Employer contributions	–1,588	–1,712
Transfer to pension trust	–15,000	0
Divestitures/transfers	135	0
Exchange rate differences	115	–194
Net defined benefit liability as of September 30	**76,696**	**65,335**

Actuarial Assumptions. With regard to the Group entities, the discount rate (weighted average) represents the significant actuarial assumption for the valuation of defined benefit obligations:

%

	Sept. 30, 2014	Sept. 30, 2013
Discount rate	2.1	3.3

Depending on the defined benefit plan, income and pension trends but also employee turnover assumptions are taken into consideration for the calculation of the defined benefit obligations. In addition, life expectancy assumptions based on current mortality tables are considered. For Germany, the 2005G Heubeck Tables and for Switzerland, BVG 2010 Generational tables have been used.

Sensitivity Analysis. For Wincor Nixdorf Group, the sensitivity of the discount rate as the significant actuarial assumption has been identified on the lines of the determination of the present value of the defined benefit obligations. An increase or decrease in the assumed interest rate by 0.25 percentage points would have the following impact on the present value of the defined benefit obligations as of September 30, 2014:

€ million

	Increase	Decrease
Change in discount rate by 0.25 percentage points	–6	7

Pension Expenses.		€k
	2013/2014	2012/2013
Current service cost	7,378	7,191
Past service cost	–571	0
Effects from settlements	–255	149
Net Interest	2,039	–2,103
Pension expenses	**8,591**	**5,237**

Defined Contribution Plans. Under defined contribution plans, an entity pays fixed contributions and does not assume any other obligations. The personnel expenses of the fiscal year include expenses for defined contribution plans in the amount of €26,769k (2012/2013: €26,377k).

[19] Other Accruals.

€k

	Oct. 1, 2013	Currency variances/ transfers	Draw-downs	Releases	Additions	Accumu-lation	Sept. 30, 2014
Non-current other accruals							
Personnel expenses	16,587	–29	–4,615	–1	3,095	449	15,486
Environmental protection obligations	9,665	–914	–292	–922	1,182	306	9,025
Warranties	569	0	0	–120	1,407	71	1,927
Other miscellaneous accruals	166	14	0	0	0	1	181
Total non-current other accruals	**26,987**	**–929**	**–4,907**	**–1,043**	**5,684**	**827**	**26,619**
Current other accruals							
Current accruals associated with sales and procurement markets							
Warranties	41,720	1	–24,743	–4,773	31,393	0	43,598
Onerous contracts	4,417	13	–1,876	–1,596	2,533	0	3,491
Delay and contract penalties	10,636	14	–1,161	–4,502	2,273	0	7,260
Miscellaneous	17,985	246	–6,290	–1,223	8,522	0	19,240
Total current accruals associated with sales and procurement markets	**74,758**	**274**	**–34,070**	**–12,094**	**44,721**	**0**	**73,589**
Accruals for personnel expenses	55,767	608	–35,641	–2,747	36,115	0	54,102
Accruals for other taxes	39	1	–5	–15	317	0	337
Other miscellaneous accruals	13,785	1,114	–8,278	–1,876	9,123	46	13,914
Total current other accruals	**144,349**	**1,997**	**–77,994**	**–16,732**	**90,276**	**46**	**141,942**
Total other accruals	**171,336**	**1,068**	**–82,901**	**–17,775**	**95,960**	**873**	**168,561**

The accruals for personnel expenses have been created essentially for pre-retirement part-time working arrangements, vacation and flextime not taken, service anniversary awards, as well as severance payments. As a means of entering into early retirement, several domestic legal entities offer a company-subsidized pre-retirement part-time working scheme using the "block model." The term of the scheme is between two and six years, and entry to the scheme is permitted no earlier than the employee's 55th birthday. Essentially, during the working phase, the employee performs full duties on half pay. During the release phase, the employee no longer works, but receives the remaining 50% of his or her remuneration. The employer subsidy takes the form of topping up of remuneration and contributions to social pension insurance. The insolvency protection has been handled by a guarantee agreement closed with a bank.

Accruals for environmental protection obligations are recognized according to statutory regulations for the waste disposal of products put into circulation.

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

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

[20] Liabilities.

€k

	Total	Residual term up to 1 year	between 1 and 5 years	more than 5 years
Financial liabilities	169,139 (166,801)	83,460 (76,239)	80,679 (90,562)	5,000 (0)
Advances received	25,489 (25,279)	25,489 (25,279)	0 (0)	0 (0)
Trade payables	343,812 (298,603)	343,785 (298,544)	27 (59)	0 (0)
Liabilities to related companies	2,521 (1,872)	2,521 (1,872)	0 (0)	0 (0)
Current income tax liabilities	47,860 (44,479)	47,860 (44,479)	0 (0)	0 (0)
Other liabilities	249,960 (219,909)	232,921 (204,685)	9,511 (10,277)	7,528 (4,947)
	838,781 (756,943)	**736,036** (651,098)	**90,217** (100,898)	**12,528** (4,947)

Last year's equivalent figures are shown in brackets.

Financial Liabilities. Financial liabilities consist of bank liabilities and liabilities from finance leases. The bank liabilities are shown at amortized costs. These are generally reflecting fair values.

On December 13, 2011, the joint borrowers Wincor Nixdorf AG and WINCOR NIXDORF International GmbH concluded a revolving credit facility of €400,000k. The facility has a term of five years, including two options for extension, each covering a period of one year, and can be drawn in euros or U.S. dollars. The one-year extension option has been drawn in fiscal 2012/2013 as well as in fiscal 2013/2014. Hence, the credit facility persists until December 12, 2018. In addition, the revolving credit facility has been reduced by €100,000k to a total of €300,000k. As of the balance sheet date, no loans were drawn under the revolving credit facility.

Furthermore, on December 18, 2013, Wincor Nixdorf AG and WINCOR NIXDORF International GmbH concluded an additional loan agreement of €100,000k with the European Investment Bank.

Bank liabilities as of the balance sheet date came to a total of €167,967k (2012/2013: €165,551k), of which €100,000k derive from the European Investment Bank. A previous year's amount of €90,000k originated from the revolving credit facility and was repaid in full in December 2013.

Liabilities from finance leases amount to €1,172k (2012/2013: €1,250k) as of the balance sheet date. The referring assets are disclosed in property, plant and equipment as other fixed assets and office equipment amounting to €1,067k (2012/2013: €1,142k) and trade receivables amounting to €0k (2012/2013: €149k).

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

	Sept. 30, 2014	Sept. 30, 2013
Residual term up to 1 year	492	688
Residual term between 1 and 5 years	680	562
	1,172	**1,250**

Residual Terms of Future Total Minimum Lease Payments. €k

	Sept. 30, 2014	Sept. 30, 2013
Residual term up to 1 year	620	813
Residual term between 1 and 5 years	784	649
Interest	–232	–212
Present value of minimum lease payments	**1,172**	**1,250**

Other Liabilities.

Breakdown of Other Liabilities. €k

	Total	Residual term up to 1 year	between 1 and 5 years	more than 5 years
Deferred income	105,779 (92,689)	96,412 (83,165)	9,367 (9,524)	0 (0)
Other tax liabilities	36,818 (26,189)	36,818 (26,189)	0 (0)	0 (0)
Social security liabilities	8,702 (8,698)	8,702 (8,675)	0 (23)	0 (0)
Other non-financial liabilities	**151,299** (127,576)	**141,932** (118,029)	**9,367** (9,547)	**0** (0)
Liabilities to employees	58,740 (57,768)	58,740 (57,768)	0 (0)	0 (0)
Interest rate derivatives	7,528 (4,947)	0 (0)	0 (0)	7,528 (4,947)
Forward currency transactions	10,486 (1,439)	10,486 (1,439)	0 (0)	0 (0)
Others	21,907 (28,179)	21,763 (27,449)	144 (730)	0 (0)
Other financial liabilities	**98,661** (92,333)	**90,989** (86,656)	**144** (730)	**7,528** (4,947)
	249,960 (219,909)	**232,921** (204,685)	**9,511** (10,277)	**7,528** (4,947)

Last year's equivalent figures are shown in brackets.

Further explanatory notes on the other financial liabilities are to be found in Note [21].

OTHER INFORMATION.

[21] Financial Instruments. Financial instruments are contractual obligations to receive or deliver cash and cash equivalents. In accordance with IAS 32 and IAS 39, these include both primary and derivative financial instruments. Primary financial instruments include, in particular, cash and cash equivalents, trade receivables and payables, credits, and loans. Derivative financial instruments primarily include forward currency transactions and interest rate hedging instruments.

The following tables show the carrying amounts and fair values of financial assets and liabilities by category of financial instruments and reconciliation to the corresponding line item in the Group balance sheet. Finance lease receivables and liabilities, and derivatives that qualify for hedge accounting are also included although they are not part of any IAS 39 measurement category. Since the line items "Other Receivables" and "Other Liabilities" contain both financial instruments and non-financial assets and liabilities (in particular, advance payments for services to be received/made in the future and other tax receivables/payables), the reconciliation is shown in the column headed "thereof outside IFRS 7."

Carrying Amounts, Amounts Recognized, and Fair Values by Measurement Category as of September 30, 2014. €k

	Category in accordance with IAS 39	Carrying amount	Thereof outside IFRS 7	Thereof amounts recognized in balance sheet according to IAS 39			Thereof amounts recognized according to IAS 17	Fair value of financial instruments under IFRS 7
				Amortized cost	Fair value recognized in equity	Fair value recognized in profit or loss		
Assets								
Cash and cash equivalents	LaR	43,584	0	43,584	0	0	0	43,584
Trade receivables	LaR / n/a	525,378	0	513,104	0	0	12,274	525,378
thereof: receivables from finance leases	n/a	12,274	0	0	0	0	12,274	12,274
Receivables from related companies	LaR	3,305	0	3,305	0	0	0	3,305
Other receivables	LaR / n/a / HfT	65,581	52,346	11,695	0	1,540	0	13,235
thereof: derivatives with a hedging relationship	n/a	0	0	0		0	0	0
thereof: derivatives without a hedging relationship	HfT	1,540	0	0	0	1,540	0	1,540
Investments	LaR/FVO/AfS	1,216	0	169	0	1,047	0	1,216
Liabilities								
Trade payables	FLAC	343,812	0	343,812	0	0	0	343,812
Liabilities to related companies	FLAC	2,521	0	2,521	0	0	0	2,521
Financial liabilities	FLAC / n/a	169,139	0	167,967	0	0	1,172	169,139
thereof: liabilities from finance leases	n/a	1,172	0	0	0	0	1,172	1,172
Other liabilities	FLAC / n/a / HfT	249,960	168,989	80,647	17,690	324	0	80,971
thereof: other non-interest-bearing liabilities	FLAC	231,946	151,299	80,647	0	0	0	80,647
thereof: other interest-bearing liabilities	FLAC	0	0	0	0	0	0	0
thereof: derivatives with a hedging relationship	n/a	17,690	17,690	0	17,690	0	0	0
thereof: derivatives without a hedging relationship	HfT	324	0	0	0	324	0	324
Aggregated by Category in Accordance with IAS 39:								
Loans and receivables	LaR	571,805	0	571,805	0	0	0	571,805
Available-for-Sale financial assets	AfS	52	0	52	0	0	0	52
Financial assets and liabilities measured at fair value through profit or loss (Fair Value Option)	FVO	1,047	0	0	0	1,047	0	1,047
Financial assets measured at fair value through profit or loss (Held for Trading)	HfT	1,540	0	0	0	1,540	0	1,540
Financial liabilities measured at fair value through profit or loss (Held for Trading)	HfT	324	0	0	0	324	0	324
Financial liabilities measured at amortized cost	FLAC	594,947	0	594,947	0	0	0	594,947

LaR: Loans and Receivables.
FVO: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Fair Value Option).
HfT: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Held for Trading).
AfS: Available-for-Sale Financial Assets (At Cost).
FLAC: Financial Liabilities at Amortized Cost.

Carrying Amounts, Amounts Recognized, and Fair Values by Measurement Category as of September 30, 2013. €k

	Category in accordance with IAS 39	Carrying amount	Thereof outside IFRS 7	Thereof amounts recognized in balance sheet according to IAS 39: Amortized cost	Fair value recognized in equity	Fair value recognized in profit or loss	Thereof amounts recognized according to IAS 17	Fair value of financial instruments under IFRS 7
Assets								
Cash and cash equivalents	LaR	43,174	0	43,174	0	0	0	43,174
Trade receivables	LaR / n/a	439,988	0	431,597	0	0	8,391	439,988
thereof: receivables from finance leases	n/a	8,391	0	0	0	0	8,391	8,391
Receivables from related companies	LaR	1,123	0	1,123	0	0	0	1,123
Other receivables	LaR / n/a / HfT	52,633	42,721	9,135	2,585	777	0	9,912
thereof: derivatives with a hedging relationship	n/a	2,585	2,585	0	2,585	0	0	0
thereof: derivatives without a hedging relationship	HfT	777	0	0	0	777	0	777
Investments	LaR/FVO/AfS	1,398	0	337	0	1,061	0	1,398
Liabilities								
Trade payables	FLAC	298,603	0	298,603	0	0	0	298,603
Liabilities to related companies	FLAC	1,872	0	1,872	0	0	0	1,872
Financial liabilities	FLAC / n/a	166,801	0	165,551	0	0	1,250	166,801
thereof: liabilities from finance leases	n/a	1,250	0	0	0	0	1,250	1,250
Other liabilities	FLAC / n/a / HfT	219,909	133,324	85,947	5,748	638	0	86,585
thereof: other non-interest-bearing liabilities	FLAC	212,735	127,576	85,159	0	0	0	85,159
thereof: other interest-bearing liabilities	FLAC	788	0	788	0	0	0	788
thereof: derivatives with a hedging relationship	n/a	5,748	5,748	0	5,748	0	0	0
thereof: derivatives without a hedging relationship	HfT	638	0	0	0	638	0	638
Aggregated by Category in Accordance with IAS 39:								
Loans and receivables	LaR	485,314	0	485,314	0	0	0	485,314
Available-for-Sale financial assets	AfS	52	0	52	0	0	0	52
Financial assets and liabilities measured at fair value through profit or loss (Fair Value Option)	FVO	1,061	0	0	0	1,061	0	1,061
Financial assets measured at fair value through profit or loss (Held for Trading)	HfT	777	0	0	0	777	0	777
Financial liabilities measured at fair value through profit or loss (Held for Trading)	HfT	638	0	0	0	638	0	638
Financial liabilities measured at amortized cost	FLAC	551,973	0	551,973	0	0	0	551,973

LaR: Loans and Receivables.
FVO: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Fair Value Option).
HfT: Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (Held for Trading).
AfS: Available-for-Sale Financial Assets (At Cost).
FLAC: Financial Liabilities at Amortized Cost.

Financial instruments measured at fair value are allocated to different measurement levels in accordance with IFRS 7. This includes financial instruments that are

1. measured at their fair values in an active market for identical financial instruments (level 1),
2. measured at their fair values in an active market for comparable financial instruments or using measurement models whose main input factors are based on observable market data (level 2), or
3. using input factors not based on observable market data (level 3).

The following table shows the amounts allocated to each measurement level at September 30, 2014:

Allocation Fair Value Hierarchy. €k

	Fair value	Level 1	Level 2	Level 3
Financial assets at fair value – not effecting net income				
Derivatives being part of a hedge	0 (2,585)	0 (0)	0 (2,585)	0 (0)
Financial assets at fair value – affecting net income				
Designated as such upon initial recognition	1,047 (1,061)	0 (0)	0 (0)	1,047 (1,061)
Derivatives not being part of a hedge	1,540 (777)	0 (0)	1,540 (777)	0 (0)
Financial liabilities at fair value – not effecting net income				
Derivatives being part of a hedge	17,690 (5,748)	0 (0)	17,690 (5,748)	0 (0)
Financial liabilities at fair value – affecting net income				
Derivatives not being part of a hedge	324 (638)	0 (0)	324 (638)	0 (0)

Last year's equivalent figures are shown in brackets.

The fair values of forward currency transactions have been obtained by traded forward rates. The determination of the fair values of the swaps at the balance sheet date was based upon corresponding quotations obtained from banks using internal mark-to-market models.

The amount that is shown under level 3 concerns the 6% interest in WINCOR NIXDORF Immobilien GmbH & Co. KG. The net result of the company will be allocated on a pro-rata basis; therefore the presented fair value will be converted accordingly. The carrying amount changed as follows:

€k

	Fair value Oct. 1, 2013	Gains	Losses	Fair value Sept. 30, 2014
Designated as such upon initial recognition	1,061	0	–14	**1,047**

Due to minor changes in the value of the 6% interest the sensitivity analysis of valuation-relevant parameters does not result in significant and decision-useful information.

Due to the short-term maturities of cash and cash equivalents, trade receivables and payables, as well as other current receivables and payables, their fair values approximate their carrying amount. The fair values of non-current financial assets and liabilities are estimated by discounting expected future cash flows using current interest rates for debt of similar terms and remaining maturities. Cash and cash equivalents, receivables from related parties, other receivables, and investments are not past due and not impaired.

The net gains and losses from financial instruments by IAS 39 category are shown in the following table:

Net Gain/Loss by Category. €k

	2013/2014	2012/2013
Loans and receivables	–6,315	–8,733
Financial assets measured at fair value through profit or loss (fair value option)	–14	0
Financial assets and liabilities measured at fair value through profit or loss (held for trading)	2,080	710
Financial liabilities measured at amortized cost	–6,324	–1,983
	–10,573	**–10,006**

Net result under „Loans and receivables" mainly comprises interests on financial receivables, impairment allowances on trade receivables, as well as gains and losses on foreign currency receivables.

The category "Financial assets measured as at fair value through profit or loss (fair value option)" includes the changes of the fair value of the interest in WINCOR NIXDORF Immobilien GmbH & Co. KG.

Gains and losses arising from changes in fair value of interest rate derivatives that do not comply with the hedge accounting requirements under IAS 39 are included in the "Financial assets and liabilities measured as at fair value through profit or loss (held for trading)" category.

The net result of the category „Financial liabilities measured at amortized cost" mainly comprise interest expenses on financial liabilities as well as gains and losses on foreign currency liabilities.

Gains and losses arising from finance lease and from derivatives that qualify for hedge accounting are not included in the net result, as they are not part of any IAS 39 measurement category.

Total interest income and total interest expense for financial assets or financial liabilities that are not measured at fair value through profit or loss are structured as follows:

Net Interest Result from Financial Instruments. €k

	2013/2014	2012/2013
Total interest income	276	376
Total interest expenses	–4,946	–5,183
	–4,670	**–4,807**

Risks Arising from Financial Instruments. Typical risks arising from financial instruments include credit risk, liquidity risk, and market risks. The risk management system of the Group including its goals, methods, and processes is presented in the Risk Report of the Group Management Report. Based on the information presented below, we have identified no explicit concentrations of risk attributable to financial risks.

Credit Risks. Wincor Nixdorf attempts to reduce the credit risks by using trading information, credit limits, and debtor management, including a payment reminders system and proactive debt collection. In view of the fact that no single customer accounted for more than 10% of net sales in the fiscal years 2013/2014 and 2012/2013, there is no concentration of risk with regard to credit risks. We operate with letters of credit to safeguard receivables from customers in countries with a credit risk, such as Argentina, Nigeria, Pakistan and Venezuela. The maximum default risk is represented by the carrying amounts of the financial assets recognized in the Group balance sheet.

In the case of derivative financial instruments, the Group is exposed to credit risks arising from the non-performance of contractual obligations by the contracting parties. These risks are minimized by only entering into agreements with contracting parties who have a good credit standing. The entire portfolio of derivative financial instruments is spread across several banks to reduce the risk of default. The default risk of derivatives equals their positive fair values. At the balance sheet date, there is no credit risk of a single contracting partner (2012/2013: €744k).

Overall, at the balance sheet date, there are no financial assets in derivatives, which are under consideration of existing financial liabilities from derivatives subject to netting, collateral or similar agreements.

Liquidity Risks. From an operating point of view, the management of the Group's liquidity exposures is centralized by a cash pooling process. This process enables the Group to manage the liquidity surplus and liquidity requirements according to the actual needs of the Group and each subsidiary. The Group's short-term and midterm liquidity management takes into account the maturities of financial assets and financial liabilities, as well as estimates of cash flows from the operating activities. Liquidity needs are covered with cash and cash equivalents totaling €43,584k (2012/2013: €43,174k). Above and beyond this, Wincor Nixdorf had unused credit lines amounting to €485,919k (2012/2013: €441,679k), of which €300,000k (2012/2013: €310,000k) derive from the revolving credit facility, at the balance sheet date. Accordingly, liquidity risk can be classified as very low in total.

The financial liabilities are expected to result in the following (undiscounted) payments in the next years:

€k

	Gross value Sept. 30, 2014	Cash flows 2014/2015	Cash flows 2015/2016 – 2018/2019	Cash flows from 2019/2020
Trade payables	343,812	343,685	127	0
Liabilities to related companies	2,521	2,521	0	0
Financial liabilities	172,656	84,927	82,716	5,013
thereof: liabilities from finance leases	1,404	620	784	0
Other liabilities	100,134	92,579	5,168	2,387
thereof: other non-interest-bearing liabilities	80,643	80,643	0	0
thereof: derivatives with a hedging relationship	19,167	11,612	5,168	2,387
thereof: derivatives without a hedging relationship	324	324	0	0
Total	**619,123**	**523,712**	**88,011**	**7,400**

€k

	Gross value Sept. 30, 2013	Cash flows 2013/2014	Cash flows 2014/2015 – 2017/2018	Cash flows from 2018/2019
Trade payables	298,603	297,691	877	35
Liabilities to related companies	1,872	1,872	0	0
Financial liabilities	175,629	78,732	96,897	0
thereof: liabilities from finance leases	1,462	812	650	0
Other liabilities	93,885	88,114	3,932	1,839
thereof: other non-interest-bearing liabilities	85,158	85,158	0	0
thereof: other interest-bearing liabilities	805	205	600	0
thereof: derivatives with a hedging relationship	7,284	2,113	3,332	1,839
thereof: derivatives without a hedging relationship	638	638	0	0
Total	**569,989**	**466,409**	**101,706**	**1,874**

Market Risks. Market risk is the risk that fair values or future cash flows of non-derivative or derivative financial instruments will fluctuate due to changes in risk factors. Currency and interest rate risks are the significant market risks the Group is exposed to. Associated with these risks are fluctuations in income, equity, and cash flow.

The following analysis and amounts determined by means of a sensitivity analysis represent hypothetical, future-oriented data that can differ from actual outcomes because of unforeseeable developments in financial markets. Moreover, non-financial or non-quantifiable risks, such as business risks, are not considered here.

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

The nominal sum of the forward currency transactions for the foreign currencies U. S. dollar and pounds sterling amounts to €152,690k (2012/2013: €149,633k). The

risk is hedged for a period of twelve months in advance by monthly due-forward currency transactions with banks. Since the hedge is classified as highly effective, a cash flow hedge is accounted for according to IAS 39 "Financial Instruments: Recognition and Measurement." The corresponding fair values, which are determined by market prices, amount to –€10,162k (2012/2013: €2,585k and –€823k) at the balance sheet date, and have been recorded without any impact on profit and loss within equity, having taken into account deferred taxes. The fair values are presented under other liabilities. The fair values of forward currency transactions have been obtained by traded forward rates. The forward currency transactions will affect profit and loss at maturity date. In the course of the period under review, an amount equivalent to €1,762k (2012/2013: €1,689k) of forward currency transactions existing at the end of the previous fiscal year was recognized in profit or loss under cost of sales from the termination at maturity.

The remaining net currency risk not hedged by forward currency transactions amounts to approximately 35 million U.S. dollars (2012/2013: approximately 34 million U.S. dollars) as well as approximately 11 million pounds sterling (2012/2013: approximately 9 million pounds sterling) and may be, overall, regarded as minor. The flows of foreign currency are recorded centrally for the entire Group and, where feasible, equalized out. No foreign currency options were transacted during the fiscal year and the previous year.

If the euro had been revalued and devalued respectively by 10% against the U.S. dollar as of September 30, 2014, the other components of equity (before deferred taxes) and the fair value of forward currency transactions would have been €10,052k higher, and €12,333k lower, respectively (2012/2013: €9,075k higher, and €11,091k lower, respectively). If the euro had been revalued and devalued respectively by 10% against pounds sterling as of September 30, 2014, the other components of equity (before deferred taxes) and the fair value of forward currency transactions would have been €4,962k higher, and €6,074 lower, respectively (2012/2013: €4,353k higher, and €5,318k lower, respectively).

Interest Rate Risks. In order to reduce the risk of interest rate changes, Wincor Nixdorf entered into interest rate hedges.

As of May 28, 2010, an interest swap for a nominal sum of €50,000k, with a ten-year term from October 1, 2010 until September 30, 2020, has been concluded. For this interest swap, the three-month EURIBOR is received and a fixed interest of 2.974% is paid. The fair value, which is measured at market prices, is –€7,528k (2012/2013: –€4,951k) and – because this swap was accounted for as a cash flow hedge - has been directly recognized in the other components of equity, having taken into account deferred taxes. The remaining net interest risk not hedged amounts to approximately €50 million and may be, overall, regarded as minor due to the current interest environment. In fiscal 2013/2014 €1,356k (2012/2013: €1,363k) have been reclassified from equity to profit or loss.

No further interest rate swaps have been concluded in the year under review.

An increase/decrease of 100 basis points of the interest rates on balance sheet date would result in the following changes: the other components of equity (before deferred taxes) would have been increased by €3,158k and decreased by €3,138k, respectively (2012/2013: increased by €3,577k and decreased by €3,617k, respectively).

[22] Cost of Materials.

€k

	2013/2014	2012/2013
Cost of raw materials, supplies, and bought-in goods	820,363	833,565
Cost of bought-in services	606,566	573,104
	1,426,929	**1,406,669**

The net change in finished and unfinished goods and services amounts to €10,932k (2012/2013: –€14.050k) in the year under review.

[23] Personnel Expenses and Employees.

€k

	2013/2014	2012/2013
Wages and salaries	546,034	542,635
Social security contributions and welfare expenses	86,486	82,589
Retirement benefit expenses	16,155	16,135
	648,675	**641,359**

The average number of employees during the year was 9,016 (2012/2013: 8,931), excluding apprentices. Headcount breakdown by function was as follows:

	2013/2014	2012/2013
Production	1,276	1,408
Sales/Services	6,706	6,513
Research and development	754	737
Administration	280	273
	9,016	**8,931**

[24] Contingent Liabilities. Obligations of €41k (2012/2013: €41k) arising from guarantees are existing at the balance sheet date.

[25] Other Financial Commitments.

€k

	Total	Residual term		
		up to 1 year	between 1 and 5 years	more than 5 years
Future payment commitments from				
real estate leases	80,058 (76,510)	28,868 (28,501)	47,631 (43,878)	3,559 (4,131)
miscellaneous tenancies and leases	21,545 (15,659)	9,301 (6,990)	12,244 (8,669)	0 (0)
long-term purchase and service contracts	23,053 (22,467)	15,004 (13,526)	8,049 (8,941)	0 (0)
acquisition of intangible assets and property, plant and equipment	3,646 (6,105)	3,646 (6,105)	0 (0)	0 (0)
	128,302 (120,741)	**56,819** (55,122)	**67,924** (61,488)	**3,559** (4,131)

Last year's equivalent figures are shown in brackets.

The future payment commitments from real estate leases and miscellaneous tenancies and leases represent the future minimum lease payments in connection with operating leases, as per IAS 17. The agreements comprise the leasing of buildings and motor vehicles. Leasing expenses amounted to €55,397k (2012/2013: €52,078k) in the year under review.

[26] Related Parties. A list of affiliated companies of Wincor Nixdorf AG is included in Note [29]. Related parties according to IAS 24 "Related Party Disclosures" are, besides the Board of Directors, essentially the Supervisory Board, investments, and shareholders.

The compensation of the Board of Directors is as follows:

€k

	2013/2014	2012/2013
Short-term benefits (without share-based compensation)	3,929	3,823
Share-based compensation	1,797	2,116
Total compensation	**5,726**	**5,939**
Post-employment benefits	326	284
Total	**6,052**	**6,223**

The disclosure of share-based compensation refers to the fair value at the grant date. Additions to superannuation (current service costs) for current members of the Board of Directors are disclosed as post-employment benefits. With the conversion of the pension scheme from pension payments to a one-time pay-off or payments in several installments, also pension obligations of the Board of Directors were adapted. As of September 30, 2014, the entitlement to funds of the Board of Directors upon reaching the specified age limit (retirement capital) amounts to €2,405k (2012/2013: €2,023k).

The members of the Board of Directors own 897,671 share options from the share-based payment programs 2011 to 2014 as of September 30, 2014 (2012/2013: 774,540 share options from share-based payment programs 2010 to 2013). As of September 30, 2014 and September 30, 2013, the Supervisory Board held no share options.

In the year under review, the members of the Supervisory Board received fringe benefits amounting to €669k (2012/2013: €767k). No long-term benefits are arranged with the members of the Supervisory Board. In addition to their compensation as members of the Supervisory Board, those employee representatives who are employees of the Group receive compensation unrelated to their service on the Supervisory Board. The total amount of such compensation was €563k (2012/2013: €402k).

For individualized presentation and further details of the Board of Director´s and Supervisory Board's compensation, please refer to the presentation of the compensation report, which is part of the Group Management Report.

Total compensation paid to former members of the Board of Directors amounted to €119k in fiscal 2013/2014 (2012/2013: €118k). An amount of €2,994k (2012/2013: €2,671k) is accrued for pension obligations of former members of the Board of Directors and their bereaved.

The Group has business relations with the investment companies WINSERVICE AS and CI Tech Components AG. Transactions with these related parties result from the delivery and service relations in the ordinary course of business. The volume of business relations is presented in the following table:

Business Relations with Investment Companies. €k

Net sales		Supplies and services		Receivables		Payables	
2013/2014	2012/2013	2013/2014	2012/2013	Sept. 30, 2014	Sept. 30, 2013	Sept. 30, 2014	Sept. 30, 2013
6,178	4,751	36,170	44,772	2,685	567	2,521	1,872

[27] Notes to the Group Cash Flow Statement. The Group cash flow statement has been drawn up in accordance with IAS 7 "Statements of Cash Flows."

Cash and cash equivalents include not only cash amounting to €43,584k (2012/2013: €43,174k) but also current bank liabilities repayable at any time amounting to €67,967k (2012/2013: €75,552k), as these could be considered in the management of cash.

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

€k

	Sept. 30, 2014	Sept. 30, 2013
Change in inventories	–23,050	–3,030
Change in advances received	211	–1,868
Change in trade receivables	–85,391	–3,145
Change in trade payables	45,208	–3,415
Change in deferred income	13,090	8,292
Change in working capital	**–49,932**	**–3,166**

Based on an EBITDA of €215,910k (2012/2013: €191,118k) the income taxes paid of –€36,820k (2012/2013: –€15,090k), the change in working capital of –€49,932k (2012/2013: –€3,166k) and the change in other assets and liabilities and accruals of –€23,987k (2012/2013: –€6,977k) resulted in cash flow from operating activities of €84,405k (2012/2013: €159,793k).

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

[28] Segment Report. For the purposes of presenting segment information, the activities of the Group are divided into operating segments in accordance with the rules contained in IFRS 8 "Operating Segments." Internal reporting within the Group is conducted on the basis of the customer profiles "Banking" and "Retail" as well as on the regional basis; the areas "Banking" and "Retail" were defined as operating segments in accordance to IFRS 8.10. As chief operating decision maker (CODM) within the meaning of IFRS 8, our Board of Directors assesses the performance of these two operating segments on the basis of corporate reporting and makes decisions about resources to be allocated. The performance of the operating segments is assessed in particular by referring to "net sales to external customers" as well as "EBITA."

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

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the Group Financial Statements. There were no changes in accounting policies compared to previous periods.

"EBITA" is the measure of segment profit (loss) used in segment reporting and comprises gross profit, selling, general and administration expenses, research and development expenses, other operating income and expenses, and result from equity accounted investments.

In the case of information by geographical region, external sales are based on the location of the customer's registered office. In fiscal years 2013/2014 and 2012/2013, no single customer accounted for more than 10% of total net sales. The information disclosed for non-current assets relates to intangible assets without goodwill as well as property, plant and equipment and reworkable service parts. The allocation is given according to the location of the assets concerned.

Reconciliation of Segment Profit to Profit for the Period. €k

	2013/2014	2012/2013
Operating profit (EBITA)	**154,962**	**131,531**
Goodwill amortization	**0**	**0**
Operating profit (EBIT)	**154,962**	**131,531**
Finance income and finance costs	–8,578	–7,190
Profit before income taxes	**146,384**	**124,341**
Income taxes	–42,284	–36,492
Profit for the period	**104,100**	**87,849**
Profit attributable to non-controlling interests	–3,215	–721
Profit attributable to equity holders of Wincor Nixdorf AG	**100,885**	**87,128**

Reconciliation of Segment Assets and Segment Liabilities. €k

	Sept. 30, 2014	Sept. 30, 2013
Assets	**1,539,940**	**1,405,954**
Non-operating miscellaneous intangible assets (goodwill and product know-how)	–335,232	–334,038
Loans	–90	–258
Investments accounted for using the equity method	–4,076	–6,360
Investments	–1,126	–1,140
Receivables from related companies	–3,305	–1,123
Non-operating miscellaneous assets and current income tax assets	–73,753	–62,575
Cash and cash equivalents	–43,584	–43,174
Deferred tax assets	–40,890	–31,125
Segment assets	**1,037,884**	**926,161**
Equity and Liabilities	**1,539,940**	**1,405,954**
Equity	–426,809	–382,861
Accruals for pensions and similar commitments	–78,197	–66,407
Deferred tax liabilities	–27,592	–28,407
Other accruals	–168,561	–171,336
Financial liabilities	–169,139	–166,801
Current income tax liabilities	–47,860	–44,479
Non-operating miscellaneous liabilities	–146,702	–129,092
Segment liabilities	**475,080**	**416,571**

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

[29] Consolidation Group as of September 30, 2014.

	Capital share in %
GERMANY	
Wincor Nixdorf Aktiengesellschaft, Paderborn	
WINCOR NIXDORF International GmbH, Paderborn	100
WINCOR NIXDORF Banking Consulting GmbH, Paderborn	100
WINCOR NIXDORF Business Administration Center GmbH, Paderborn	100
WINCOR NIXDORF Customer Care GmbH, Paderborn	100
Wincor Nixdorf Dienstleistungs GmbH, Paderborn	100
WINCOR NIXDORF Facility GmbH, Paderborn	100
WINCOR NIXDORF Facility Services GmbH, Paderborn	100
WINCOR NIXDORF Global IT Operations GmbH, Paderborn	100
WINCOR NIXDORF Grundstücksverwaltung Ilmenau GmbH & Co. KG, Paderborn	100
Wincor Nixdorf Logistics GmbH, Paderborn	100
Wincor Nixdorf Lottery Solutions GmbH, Paderborn	100
WINCOR NIXDORF Manufacturing GmbH, Paderborn	100
Wincor Nixdorf Portavis GmbH, Hamburg	68
WINCOR NIXDORF Real Estate GmbH & Co. KG, Paderborn	100
WINCOR NIXDORF Retail Consulting GmbH, Paderborn	100
Wincor Nixdorf Retail Services GmbH, Paderborn	100
WINCOR NIXDORF Security GmbH, Paderborn	100
Wincor Nixdorf Services GmbH, Paderborn	100
WINCOR NIXDORF Technology GmbH, Paderborn	100
IP Management GmbH, Paderborn	100
Prosystems IT GmbH, Bonn[1)]	51
Bankberatung Organisations- und IT-Beratung für Banken AG, Wedemark	91.36
EUROPE	
Austria	
Wincor Nixdorf GmbH, Vienna	100
Belgium	
Wincor Nixdorf N.V., Zaventem	100
Czech Rebublic	
Wincor Nixdorf s.r.o., Prague	100
WN CZ RETAIL SOLUTIONS s.r.o., Prague	100
Denmark	
Wincor Nixdorf A/S, Ballerup	100
Finland	
Wincor Nixdorf Oy, Espoo	100
France	
Wincor Nixdorf SAS, Vélizy-Villacoublay	100
Great Britain	
Wincor Nixdorf Banking Services Ltd., Bracknell/ Berkshire	100
Wincor Nixdorf Ltd., Bracknell/ Berkshire	100
Greece	
Wincor Nixdorf Information Systems S.A., Kifissia/Athens	100
Hungary	
Wincor Nixdorf Kft., Budapest	100
Ireland	
Wincor Nixdorf Ltd., Dublin	100
Italy	
Wincor Nixdorf S.r.l., Basiglio/Milan	100
Malta	
Wincor Nixdorf Finance Malta Holding Limited, St. Julians	100
Wincor Nixdorf Finance Malta Limited, St. Julians	100
Norway	
Wincor Nixdorf A/S, Oslo	100
Poland	
Wincor Nixdorf Sp.z o.o., Warsaw	100
Portugal	
Wincor Nixdorf Lda., Carnaxide	100
Russia	
LLC WINCOR NIXDORF, Moscow[2)]	100
Wincor Nixdorf Oil and Gas IT LLC, Moscow[2)]	51
Wincor Nixdorf Oil and Gas IT Service LLC, Moscow[2)]	51
Slovakia	
Wincor Nixdorf s.r.o., Bratislava	100
Spain	
Wincor Nixdorf S.L., Madrid	100
Dynasty Technology Group, S.A.U., Madrid	100
Sweden	
Wincor Nixdorf AB, Solna	100
Switzerland	
BEB Industrie-Elektronik AG, Burgdorf	100
Wincor Nixdorf Finance AG, Baar	100
Wincor Nixdorf AG, Brüttisellen	100
The Netherlands	
SecurCash B.V., Rotterdam	100
Wincor Nixdorf B.V., Delft	100
WINCOR NIXDORF Software C.V., Utrecht	100
WINCOR NIXDORF Software Partner B.V., Utrecht	100
WINCOR NIXDORF Global Solutions B.V., Utrecht	100
Turkey	
Wincor Nixdorf Bilgisayar Sistemleri A.S., Kadikoy/Istanbul	100
Ukraine	
LIMITED LIABILITY COMPANY WINCOR NIXDORF, Kiev[2)]	100
AMERICAS	
Brazil	
Wincor Nixdorf Soluções em Tecnologia da Informação Ltda., Atibaia/São Paulo	100
Dynasty Technology Brasil Software Ltda., Barueri/ São Paulo[2)]	100
Canada	
Wincor Nixdorf Canada Inc., Mississauga/Ontario	100
Mexico	
Wincor Nixdorf IT Support S.A. de C.V., Mexiko City[2)]	99.998
Wincor Nixdorf S.A. de C.V., Mexiko City[2)]	100
USA	
Wincor Nixdorf Inc., Austin	100
Venezuela	
Wincor Nixdorf C.A., Caracas	100

	Capital share in %
ASIA/PACIFIC	
Australia	
WINCOR NIXDORF AUSTRALIA PTY LTD, Frenchs Forest/ Sydney	100
China	
Wincor Nixdorf (Hong Kong) Ltd., Kwun Tong, Kowloon/Hong Kong	100
Wincor Nixdorf Retail & Banking Systems (Shanghai) Co., Ltd., Shanghai[2)]	100
Wincor Nixdorf Manufacturing (Shanghai) Co., Ltd., Shanghai[2)]	100
India	
Wincor Nixdorf India Private Ltd., Mumbai	100
Indonesia	
PT. Wincor Nixdorf Indonesia, Jakarta Selatan	100
Malaysia	
WINCOR NIXDORF RETAIL SOLUTIONS (M) SDN. BHD, Kuala Lumpur	100
Wincor Nixdorf (M) Sdn. Bhd., Kuala Lumpur	100
Philippines	
WINCOR NIXDORF (PHILIPPINES) INC., Makati City	100
Singapore	
WINCOR NIXDORF PTE. LTD., Singapore	100
WINCOR NIXDORF MANUFACTURING PTE. LTD, Singapore	100
South Korea	
WINCOR NIXDORF Ltd., Seoul	100
Taiwan	
Wincor Nixdorf Taiwan Ltd., Taipei	100
Thailand	
Wincor Nixdorf (Thailand) Co., Ltd., Bangkok	100
AFRICA	
Algeria	
EURL WINCOR NIXDORF, Algiers[2)]	100
Morocco	
Wincor Nixdorf S.A., Casablanca	100
South Africa	
WINCOR NIXDORF (PTY) LTD, Hurlingham-Sandton	100

Investments Accounted for Using the Equity Method	
CI Tech Components AG, Burgdorf, Switzerland[2)]	50
WINSERVICE AS, Oslo, Norway[2)]	50

[1)] 100% beneficial ownership October 1st 2014.
[2)] Fiscal year ending December 31st.

The following German subsidiaries of Wincor Nixdorf AG made part or total use of the exemption clause included in Section 264 (3) and Section 264b of the German Commercial Code in fiscal 2013/2014:

- WINCOR NIXDORF International GmbH, Paderborn
- WINCOR NIXDORF Banking Consulting GmbH, Paderborn
- WINCOR NIXDORF Business Administration Center GmbH, Paderborn
- WINCOR NIXDORF Customer Care GmbH, Paderborn
- Wincor Nixdorf Dienstleistungs GmbH, Paderborn
- WINCOR NIXDORF Facility GmbH, Paderborn
- WINCOR NIXDORF Facility Services GmbH, Paderborn
- WINCOR NIXDORF Global IT Operations GmbH, Paderborn
- Wincor Nixdorf Logistics GmbH, Paderborn
- WINCOR NIXDORF Manufacturing GmbH, Paderborn
- WINCOR NIXDORF Retail Consulting GmbH, Paderborn
- Wincor Nixdorf Retail Services GmbH, Paderborn
- WINCOR NIXDORF Security GmbH, Paderborn
- Wincor Nixdorf Services GmbH, Paderborn
- WINCOR NIXDORF Technology GmbH, Paderborn
- WINCOR NIXDORF Real Estate GmbH & Co. KG, Paderborn
- WINCOR NIXDORF Grundstücksverwaltung Ilmenau GmbH & Co. KG, Paderborn
- IP Management GmbH, Paderborn

[30] Auditor's Fees. The following fees for our Group auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, as well as for member firms of the KPMG worldwide network were recognized as expenses for services rendered during fiscal 2013/2014 and 2012/2013:

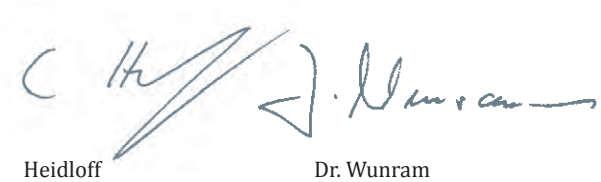
	2013/2014	2012/2013
		€k
For audit fees	1,558	1,549
thereof for KPMG AG	593	580
For other certification or valuation services	107	119
thereof for KPMG AG	73	69
For tax consultancy	457	516
thereof for KPMG AG	152	300
For other services rendered to Wincor Nixdorf AG or its subsidiaries	322	234
thereof for KPMG AG	34	56
	2,444	**2,418**

[31] Statement of Compliance with the German Code of Corporate Governance. The Board of Directors and Supervisory Board of Wincor Nixdorf AG have issued the statement of compliance with the German Code of Corporate Governance according to Section 161 of the German Stock Corporation Act, and have made it publicly available to the shareholders on the Wincor Nixdorf website www.wincor-nixdorf.com under the column Investor Relations.

Information reported pursuant to Section 15a of the German Securities Trading Act ("Directors' Dealings") can be also obtained from the above mentioned website.

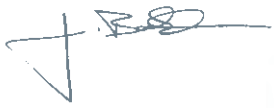
[32] Events after the Balance Sheet Date. No events of particular significance have occurred after the balance sheet date.

Paderborn, November 18, 2014
Wincor Nixdorf Aktiengesellschaft, Paderborn



Heidloff
President and
Chief Executive Officer

Dr. Wunram
Deputy CEO and President



Bohlen
Executive Vice President

Heyden
Executive Vice President

CONTENTS.

FURTHER INFORMATION.

RESPONSIBILITY STATEMENT.

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Paderborn, November 18, 2014
Wincor Nixdorf Aktiengesellschaft, Paderborn

Heidloff
President and
Chief Executive Officer

Dr. Wunram
Deputy CEO and President

Bohlen
Executive Vice President

Heyden
Executive Vice President

AUDITOR'S REPORT.

We have audited the consolidated financial statements prepared by the Wincor Nixdorf Aktiengesellschaft, comprising the group income statement, the group statement of comprehensive income, the group balance sheet, the group cash flow statement, changes in group equity and the notes to the group financial statements, together with the group management report for the business year from October 1, 2013 to September 30, 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB [Handelsgesetzbuch "German Commercial Code"] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB [Handelsgesetzbuch „German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

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

Bielefeld, November 25, 2014

KPMG AG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Andrejewski	Wallraf
German Public Auditor	German Public Auditor

GLOSSARY.

Company Terminology.

Banking (Segment): The segment within Wincor Nixdorf dealing with the development, manufacture, and sale of hardware, software, and services for customers in the banking industry.

Branch Transformation: Refers to the evolution of bank branches towards efficient, future-proof sales channels that are fully integrated into the bank's overall sales concept.

Cash Cycle Management Solutions: Combination of hardware, software, and services that can be used to optimize the cash management systems of banks and retailers.

Cash Management: The term Cash Management is used to describe all the measures in place to assure the short-term availability of cash in the Company. It covers the full range of tasks and measures implemented to provide sufficient liquidity and achieve the greatest possible level of transaction efficiency. Cash Management goes beyond the simple administration of cash resources; it involves the active, targeted control of cash with a view to assuring and maintaining the Company's ability to meet its payment obligations.

Cashless Payment Solutions: Cashless transactions or solutions that allow money to be transferred without using cash.

Cash Recycling System: Cash machine that counterfeit-checks deposited banknotes and subsequently makes this cash available for withdrawals.

Checkout Systems: Systems, made up of hardware and software, used for the process of scanning and payment of goods in retail outlets.

CINEO: The name given to a new family of cash systems developed by Wincor Nixdorf comprising ATMs, cash recycling systems, automated teller safes, and transaction terminals.

EPOS System, Electronic Point-of-Sale (EPOS)System: Electronic checkout systems are taken to include all types of checkout systems that function electronically rather than mechanically.

High-End Services Portfolio: Our range of premium-quality IT services offered as part of Managed Services or Outsourcing arrangements.

High-End Systems: Self-service systems that offer a range of functions and are therefore designed with additional technology or modules. Examples include cash recycling systems and systems that can process checks and savings books.

Managed Services: Standardized services associated with the operation of IT systems and information and communication infrastructures within the retail and banking environment.

Multichannel: The term refers to the distribution or sale of products and services via several channels. In this case, the channels exist side by side without interacting with each other.

Omnichannel: This approach uses a number of sales or distribution channels. The key refinement is that customer information is not lost if and when consumers choose a different channel. This is made possible by uniform data storage and cross-channel processes.

Professional Services: These involve providing specialized services to businesses. Wincor Nixdorf offers consulting and integration services. The term also covers all services relating to the implementation of a solution.

Retail (Segment): The development, production, logistics, marketing, and sale of hardware together with software and other services for Wincor Nixdorf's retail customers.

Self-checkout: This checkout procedure is executed at the checkout counter without a cashier. The customer scans the products and pays for them at the machine using cash or a debit or credit card.

Store Lifecycle Management: Management of the entire lifecycle of retail outlets, from store opening through refurbishment to final closure. This includes the operation of store hardware and software as well as a dedicated Service Desk that is also responsible for the distribution of software.

TCO (Total Cost of Ownership): The total costs of hardware, software, or a service, including all direct and indirect costs (including consequential costs).

Financial Terminology.

Amortization/Depreciation: The systematic allocation of the depreciable amount of an asset over its useful life. In the case of an intangible asset or goodwill, the term "amortization" is generally used instead of "depreciation." Both terms have the same meaning.

Cash Flow: Cash flow describes the change in cash and cash equivalents during the period under review.

Corporate Governance: Responsible management and control of a company based on the principle of creating value over the long term.

Declaration of Conformity: The declaration made by the Board of Directors and the Supervisory Board pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) relating to implementation of the recommendations of the Government Commission on German Corporate Governance.

Deferred Taxes: Temporary differences between taxes calculated on the basis of accounting profit, on the one hand, and taxable profit, on the other, the aim being to present tax expense on the basis of accounting profit.

Dividend Yield: Shows how much a company pays out in dividends each year relative to its share price: dividend amount divided by the current share price, multiplied by 100.

EBITA (Operating Profit): Earnings before interest, taxes, and amortization of goodwill. Wincor Nixdorf uses EBITA as an indicator of the underlying profitability of its operating segments Retail and Banking.

EBITDA: Earnings before interest, taxes, depreciation, and amortization of goodwill, and licenses.

HGB: German Commercial Code.

International Financial Reporting Standards: The aim of these standards is to make it easier to compare company data. In accordance with an EU directive, all quoted companies are obliged to present their financial statements and reports in line with these rules.

Net Debt: Miscellaneous securities plus cash in hand and at bank (including checks), minus bank liabilities.

Profit for the Period: Profit of the Group before it is divided into "Profit attributable to minority interest" and "Profit attributable to equity holders of Wincor Nixdorf AG."

Revolving Credit Facility: Line of credit that can be utilized repeatedly up to the end of the agreed term despite the borrower already having made repayments. The revolving credit can be utilized in part or in full, and in our specific case the amounts borrowed can be denominated in various currencies (multicurrency revolving facility).

R&D Expenditure: Expenditure on research and development activities.

Risk Management: Systematic procedure to identify, analyze, evaluate, monitor, and control potential opportunities and risks.

Sensitivity Analysis: Assessment of the effects of possible changes in assumptions.

Volatility: Intensity of price fluctuations of a stock, currency, or bulk commodity compared to the market development.

Working Capital: Working capital is defined as inventories plus trade receivables, less trade payables, less prepayments received and deferred income.

FINANCIAL CALENDAR 2014/2015.*

January 19, 2015:
Three-month interim report 2014/2015

January 19, 2015:
Annual General Meeting

April 23, 2015:
Half-year interim report 2014/2015

July 23, 2015:
Nine-month interim report 2014/2015

For further dates and information, please feel free to visit the website of Wincor Nixdorf AG at www.wincor-nixdorf.com – "Investor Relations/Financial Calendar" section.

This Annual Report is available on the Internet in HTML and PDF formats, and can be accessed by visiting www.wincor-nixdorf.com, Investor Relations/Reports & Financial Data.

* All dates are of a preliminary nature and may be subject to change.

EDITORIAL DETAILS.

Published by.
Wincor Nixdorf AG
Corporate Communications
Heinz-Nixdorf-Ring 1
33106 Paderborn
Germany
Phone +49 (0) 52 51 / 6 93-30 01
Fax +49 (0) 52 51 / 6 93-59 18
info@wincor-nixdorf.com
www.wincor-nixdorf.com

Corporate Communications.
Phone +49 (0) 52 51 / 693-52 00
Fax +49 (0) 52 51 / 693-52 22
andreas.bruck@wincor-nixdorf.com

Investor Relations.
Phone +49 (0) 52 51 / 693-50 50
Fax +49 (0) 52 51 / 693-50 56
investor-relations@wincor-nixdorf.com

Design.
Berichtsmanufaktur GmbH, Hamburg

Photographs/copyrights.
Magazine, p. 1–30: Thomas Gasparini, Nils Günther, Jason Chiang, Michael Lu Yuanhua, Anja Kühner, Melly Riana Sari, MEGA MILLS, NTUC FairPrice

Management p. 36, 38/39, 40:
Fotostudio CP IMAC, Kurt Lauer, D-33106 Paderborn

Printed by.
Druckstudio GmbH, Düsseldorf

INTERNATIONAL SUBSIDIARIES.

Algeria
EURL Wincor Nixdorf
Lot 23 Extension Mons,
Ben Aknoun,
16306 Algiers
Phone +213 21 94 55 62/63
Fax +213 21 94 55 59

Australia
Wincor Nixdorf Australia Pty Ltd.
Building C, Ground Level,
Suite 5
14 Rodborough Road
Frenchs Forest, NSW 2086
Phone +61 2 9453 5894
Fax +61 2 9453 5936

Austria
Wincor Nixdorf GmbH
Modecenterstraße 17–19
1110 Wien
Phone +43 1 74 33 03 00
Fax +43 1 74 33 03 02 20

Belgium
Wincor Nixdorf N. V.
Ikaros Business Park
Ikaroslaan 45
1930 Zaventem
Phone +32 24 16 81 00
Fax +32 24 16 81 01

Brazil
Dynasty Technology Brasil Software Ltda.
Al. Rio Negro, 1030 –
Conj. 1303
Edificio Stadium Corporate
Alphaville – Barueri –
06454-000 – SP
Phone +55 11 41 91 72 28
Fax +55 11 41 91 72 28

Wincor Nixdorf Soluções em Tecnologia da Informação Ltda.
Brazilian Business Park
Av. Tegula, 888 –
Bairro Ponte Alta
12952-820, Atibaia – SP
Phone +55 11 44 17 71 56
Fax +55 11 44 17 71 55

Canada
Wincor Nixdorf Canada Inc.
2400 Skymark Avenue, Unit 6
Mississauga, Ontario L4W 5K5
Phone +1 905 890 0777
+1 877 890 0777
Fax +1 905 206 0777

China (Shanghai + Peking)
Wincor Nixdorf Retail & Banking Systems (Shanghai) Co., Ltd.
2290 Zuchongzhi Road,
Sandhill Plaza Building #2,
ZhangJiang HiTech Park,
Pudong District
Shanghai P. R. China 201203
Phone +86 21 6168 9589
Fax +86 21 6182 9325

Wincor Nixdorf Manufacturing (Shanghai) Co., Ltd.
Block 70, No 36 Yi Wei Road
Wai Gao Qiao, Free Trade Zone
Shanghai P. R. China 200131
Phone +86 21 6168 7999
Fax +86 21 5046 1625

China (Hong Kong)
Wincor Nixdorf (Hong Kong) Ltd.
Units 08-12, 20/F, Paul Y Centre
51 Hung To Road,
Kwun Tong,
Kowloon, Hong Kong
Phone +852 28 04 10 89
Fax +852 29 05 10 99

Czech Republic
Wincor Nixdorf s. r. o
Siemensova 2,
155 00 Prague 13 – Stodulky
Phone +420 233 037 474
Fax +420 233 034 119

Denmark
Wincor Nixdorf A/S
Lautrupvang 8
2750 Ballerup
Phone +45 44 77 89 10
Fax +45 44 77 89 22

Finland
Wincor Nixdorf Oy
Vitikka 2
02630 Espoo
Phone +358 207 520 520
Fax +358 207 520 502

France
Wincor Nixdorf SAS
6, avenue Morane Saulnier
78140 Vélizy Villacoublay
Phone +33 (0)1 30 67 07 07
Fax +33 (0)1 30 67 07 08

Greece
Wincor Nixdorf Information Systems S.A.
14th km, Athens –
Lamia Nat. Road
Zip Code 14564
P.O. Box 51399 – Kifissia
Phone +30 210 624 0800
Fax +30 210 624 0900

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

India
Wincor Nixdorf India Private Ltd.
Kohinoor City Commercial
Complex, A-Wing,
3rd Floor, Unit No.-315,
Off LBS Marg, Kirol Road,
Kurla – West Mumbai – 400070
Phone +91 22 6724 6100
Fax +91 22 6724 6110

Indonesia
PT. Wincor Nixdorf Indonesia
Plaza 89, 3rd Floor, Suite 301
JL. H.R. Rasuna Said
Kav. X-7 No.6
Jakarta Selatan 12940
Phone +62 21 2552 7900
Fax +62 21 2552 7999

Ireland
Wincor Nixdorf Ltd.
3022 Lake Drive
Citywest Business Campus
Dublin 24
Phone +353 1 518 9918
Fax +353 1 518 9994

Italy
Wincor Nixdorf S.r.l.
Via Ludovico il Moro 6/B
Palazzo Torricelli
20080 Basiglio Milano
Phone +39 02 52863 1
Fax +39 02 52863 835

Malaysia
Wincor Nixdorf (M) Sdn Bhd
Suites K-10-01 to 04
Level 10
Solaris Mont Kiara
No 2 Jalan Solaris
50480 Kuala Lumpur
Phone +60 3 6209 6000
Fax +60 3 6203 7535

Mexico
Wincor Nixdorf S.A. de C.V.
Campos Eliseos #400 Piso 14 – Colonia Polanco
Delegación Miguel Hidalgo –
C. P. 11560 México DF
Phone +52 55 5387 9600
Fax +52 55 5387 9670

Morocco
Wincor Nixdorf S.A.
226, Boulevard Zerktouni
20000 Casablanca
Phone + 212 522 49 09 09
Fax + 212 522 47 10 72

Netherlands
Wincor Nixdorf Software CV
Wincor Nixdorf Global Solutions B.V.
Papendorpseweg 100
3528 BJ Utrecht
Phone +31 88 102 88 88
Fax +31 88 102 88 99

Norway
Wincor Nixdorf A/S
Malerhaugveien 25
0661 Oslo
PO BOX adress:
Postboks 6734 Etterstad
0609 Oslo
Phone +47 23 05 26 00
Fax +47 23 05 26 01

Philippines
Wincor Nixdorf (Philippines) Inc.
24th Floor of Trident Tower,
312 Sen. Gil Puyat Avenue
1200 Makati City
Phone +63 2 902 2600
Fax +63 2 902 2640

Poland
Wincor Nixdorf Sp.z.o.o.
ul. Popularna 82
02-226 Warschau
Phone +48 22 572 42 00
Fax +48 22 572 42 09

Portugal
Wincor Nixdorf Lda.
Rua Nossa Senhora da Conceição, 5
2794-086 Carnaxide
Phone +351 214 201 800
Fax +351 214 201 891

Russian Federation
LLC Wincor Nixdorf
RF, Krasnoproletarskaya str., 16,
bld. 2, entrance 5
127473 Moskau
Phone/Fax +7 (495) 739 2300

Singapore
Wincor Nixdorf Pte.Ltd.
151 Lorong Chuan
New Tech Park. #05-01A/B
Singapore 556741
Phone +65 67 47 38 28
Fax +65 67 47 15 77

Slovakia
Wincor Nixdorf s.r.o.
Mokráň záhon 4
821 04 Bratislava
Slovenská republika
Phone +421 2 49258 111
Fax +421 2 49258 211

South Africa
Wincor Nixdorf (Pty) Ltd
Block D
Hurlingham Office Park
59 Woodlands Avenue
Hurlingham – Sandton
Phone +27 11 781 7262
Fax +27 86 678 5183

South Korea
Wincor Nixdorf Ltd.
13F DaeYong Bldg.,
44-1 Yeouido-Dong,
Yeongdeungpo-Gu,
Seoul, Korea (150-714)
Phone +82 2 787 15 00
Fax +82 2 787 15 99

Spain
Wincor Nixdorf S.L.
Avenida de Manoteras, 6
Building: Cetil II
28050 – Madrid
Phone +34 91 484 3800
Fax +34 91 484 3883

Sweden
Wincor Nixdorf AB
Hemvärnsgatan10
Box 53
SE-171 74 Solna
Phone +46 (0)8 470 0900
Fax +46 (0)8 470 0999

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

CI Tech Components AG
Oberburgstr. 10
3400 Burgdorf
Phone +41 (0)34 420 88 33
Fax +41 (0)34 420 88 39

Taiwan
Wincor Nixdorf Taiwan Ltd.
3F, No. 1, Alley 30
Lane 358 Rueiguang Road
Neihu District
Taipei, Taiwan 114
R.O.C.
Phone +886 2 7720 3780
Fax +886 2 7720 2500

Thailand
Wincor Nixdorf (Thailand) Co. Ltd.
G, 22/F, Thai CC Tower,
889 South Sathorn Road,
Yannawa
Sathorn, Bangkok
Thailand 10120
Phone +66 2672 3999
Fax +66 2672 3909

Turkey
Wincor Nixdorf Bilgisayar Sistemleri A.S.
Kosuyolu Mahallesi
Cenap Sahabettin Sok. No. 43
34718 Kadiköy-Istanbul
Phone +90 21 65 44 10 00
Fax +90 21 65 45 18 30

Ukraine
Limited Liability Company Wincor Nixdorf
Degtyarovskaya Str. 27T
3rd floor, BC “Micom Palace”
04119, Kiev
Phone +380 44 492 97 07
Fax +380 44 492 97 09

United Kingdom
Wincor Nixdorf Ltd.
One, The Boulevard
Cain Road
Bracknell, Berkshire
RG12 1WP
Phone +44 (0)1344 384800
Fax +44 (0)1344 384801

USA
Wincor Nixdorf Inc.
12345 N. Lamar Blvd.,
Suite 200 Austin,
Texas 78753
Phone: +512 676 5000
Fax: +512 676 5045

Venezuela
Wincor Nixdorf C.A.
Avda. Paseo Colon,
Edif. Polar, Torre Oeste,
Piso 13
Plaza Venezuela, Los Caobos
Caracas, Venezuela
Postal Code: 1060-A
PO BOX 60167
Phone +58 212 2199000
Fax +58 212 7937929

This document contains forward-looking statements that are based on current estimates and assumptions made by the Board of Directors of Wincor Nixdorf AG to the best of its knowledge. Such forward-looking statements are subject to risks and uncertainties, the non-occurrence or occurrence of which could cause the actual results, including the financial condition and profitability of Wincor Nixdorf, to differ materially from, or be more negative than, those expressed or implied by such forward-looking statements. This also applies to the forward-looking estimates and fore-casts derived from third-party studies. Consequently, neither the Company nor its management can give any assurance regarding the future accuracy of the opinions set forth in this document or the actual occurrence of the predicted developments.

Wincor Nixdorf AG
Corporate Communications
Heinz-Nixdorf-Ring 1
33106 Paderborn
Germany
Phone +49 (0) 52 51 / 6 93-30 01
Fax +49 (0) 52 51 / 6 93-59 18
info@wincor-nixdorf.com
www.wincor-nixdorf.com

Order No. R40699-J-Z741-1-7600
Printed in Germany

WINCOR NIXDORF

EXPERIENCE MEETS VISION.