ANNUAL REPORT
2015/2016

October 1, 2015 to September 30, 2016

WINCOR NIXDORF

EXPERIENCE MEETS VISION.

Key Figures 2015/2016.

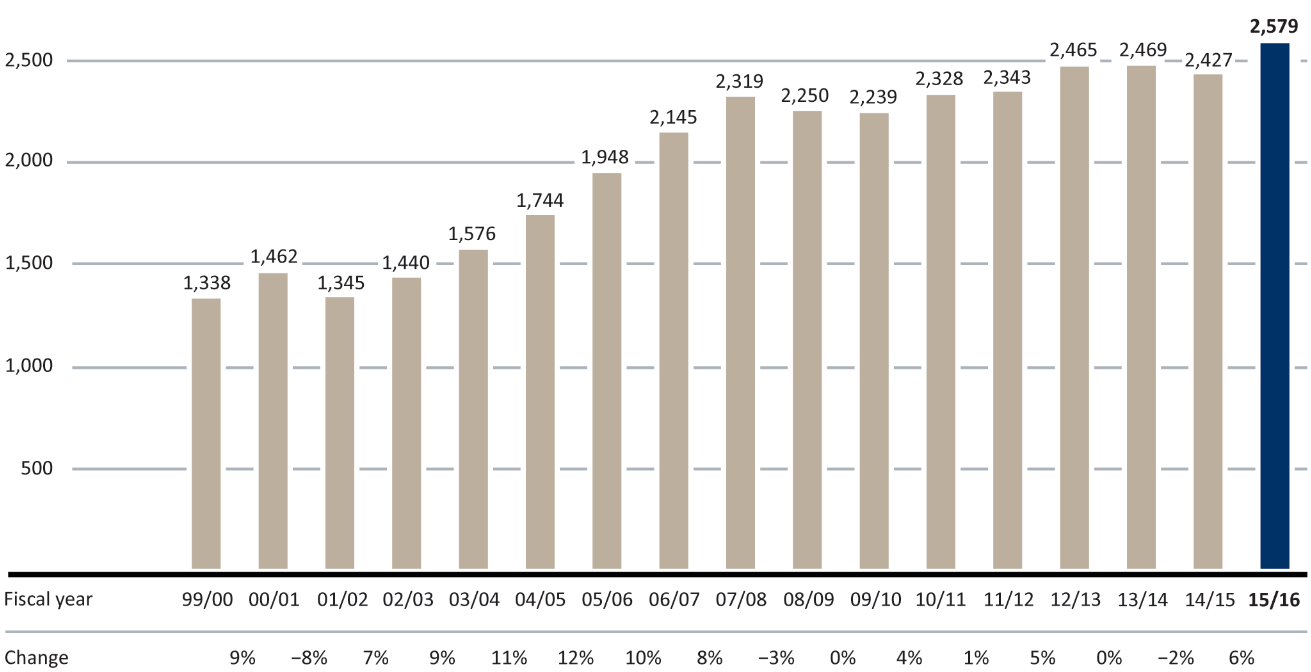
	2015/2016[1]	2014/2015[2]	Change
Statement of Income (€ millions)			
Net sales	**2,579**	**2,427**	**6%**
of which Banking	1,543	1,582	–2%
of which Retail	1,036	845	23%
Gross profit without one time effects	**629**	**489**	**29%**
Gross profit as a percentage of net sales	24.4%	20.1%	–
Research & development expenses without one time effects	**–94**	**–86**	**9%**
R&D expenses as a percentage of net sales	3.6%	3.5%	–
Selling, general and administration expenses[3] without one time effects	**–341**	**–301**	**13%**
SG&A expenses as a percentage of net sales	13.2%	12.4%	–
Operating profit (EBITA)[4] without one time effects	**194**	**102**	**90%**
EBITA as a percentage of net sales (EBITA margin)	7.5%	4.2%	–
of which Banking	140	65	115%
as a percentage of net sales Banking	9.1%	4.1%	–
of which Retail	54	37	46%
as a percentage of net sales Retail	5.2%	4.4%	–
One-time effects	**4**	**–80**	
Operating profit (EBITA)[4] incl. one time effects	**198**	**22**	↑
EBITA as a percentage of net sales (EBITA margin)	7.7%	0.9%	–
Amortization/depreciation of intangible and tangible assets and write-down of reworkable service parts	**62**	**54**	**15 %**
EBITDA	**260**	**76**	**242 %**
EBITDA as a percentage of net sales (EBITDA margin)	10.1%	3.1%	–
Transaction expenses relating to the business combination agreement with Diebold Inc.	**–54**	**0**	–
Operating profit (EBITA)4) incl. one time effects and transaction expenses	**144**	**22**	↑
EBITA as a percentage of net sales (EBITA margin)	5.6%	0.9%	–
Profit for the period	**102**	**8**	↑
Profit for the period as a percentage of net sales	4.0%	0.3%	–
Earnings per share (€)[5]	3.37	0.22	–
Cash flow (€ millions)			
Cash flow from operating activities6)	105	97	8 %
Cash flow from investment activities	–41	–55	–25 %
	Sept. 30, 2016	Sept. 30, 2015	Change
Key Balance Sheet Figures (€ millions)			
Working capital	**304**	**351**	**–47**
as a percentage of net sales (annualized)	11.8%	14.5%	–
Net debt (Net Cash)[7]	**–7**	**140**	**–147**
Equity[8]	**441**	**391**	**50**
Human Resources.			
Number of employees	**9 080**	**9 100**	**–20**

[1] October 01, 2015 - September 30, 2016.
[2] October 01, 2014 - September 30, 2015.
[3] Including other operating result as well as result from equity accounted investments.
[4] Net profit on operating activities before interest, taxes and amortization of goodwill.
[5] Calculated on basis of 29.816 million shares
[6] Excluding contribution to plan assets: cashflow from operating activities €135 million in Fiscal 15/16.
[7] Inclusive financing through affiliated companies: net debt €51 million in Fiscal 15/16.
[8] Including non-controlling interests.

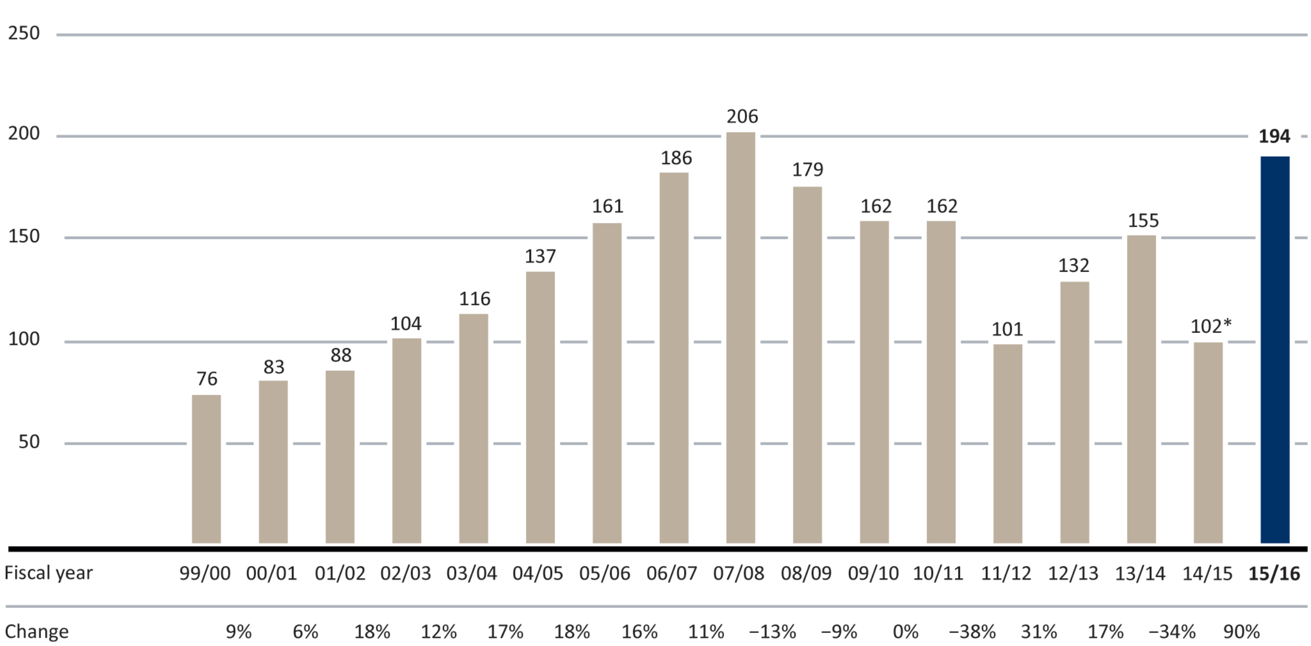
ANNUAL REPORT
2015/2016

Financial indicators by year.

Net Sales History. € million



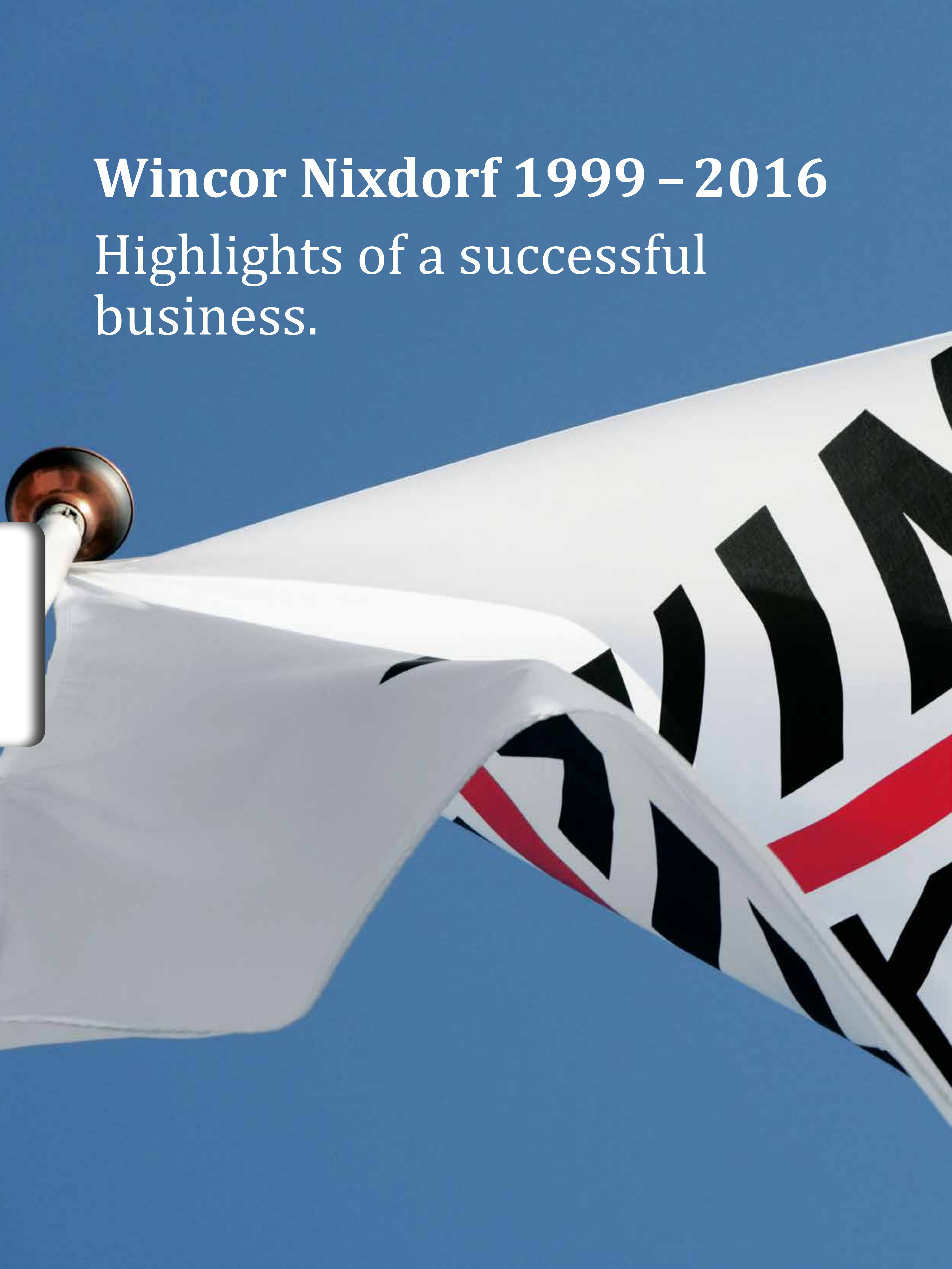
EBITA History. € million



* Without restructuring.

Wincor Nixdorf 1999 – 2016

Highlights of a successful business.



For more than one and a half decades Wincor Nixdorf has been assisting retail banks and retailers around the globe in their efforts to refine and evolve their IT-based business processes. Our customers value our quality and agility as well as our ability to come up with new solutions as they move forward.
Looking back:

1999

THE BEGINNING

On October 1, 1999, the Company was carved out of the Siemens Group and taken over by KKR and Goldman Sachs. The new company name, Wincor Nixdorf, combines the aspects of business concept and corporate history. Wincor stands for „win" and „core" – pointing to the Company's ambitions and core competencies within the retail and banking industries. Nixdorf, meanwhile, is a lasting tribute to the successful computer pioneer Heinz Nixdorf.

2001
Premiere for PC/E multi-channel software architecture: The new software architecture provides a platform for state-of-the-art multichannel concepts.

2003
Market launch of the CCDM module: The new module automates the check deposit process and proves to be a great success in the United States in particular.

Cash recycling pioneer: Wincor Nixdorf is granted approval by the German Bundesbank for the euro area.

2004
Launch of self-checkouts in Europe: Using this new technology, shoppers can process their own purchases by scanning the product barcodes themselves in the checkout area.

2001
WINCOR WORLD

Wincor Nixdorf celebrates the launch of an event that is set to become an out-and-out success in years to come. Wincor World provides the Company with a platform to present its banking and retail solutions to business partners and customers. The debut event itself exceeds all expectations, attracting visitors from more than fifty countries.

2010
Introduction of the CINEO product family and the Cash Cycle Management Solution concept: The introduction of a standardized banknote storage unit paves the way for new concepts aimed at efficient and secure automation within the area of cash cycle management.

2015
Successful rollout of the payment tablet Albert together with Android-based software

2004

GOING PUBLIC

On May 19, 2004, Wincor Nixdorf makes a public offering on the Frankfurt Stock Exchange consisting of a first tranche of around eight million shares. The IPO generates funds for future growth and creates a new route for the Company to access equity for the purpose of financing additional measures. Wincor Nixdorf joins the MDAX in the same year. The private equity investors KKR and Goldman Sachs offer an additional 6.3 million shares to the market as part of a second tranche in January 2005. As a result, 100% of the Company's shares are now in free float.

2013

SOFTWARE HEAD-QUARTERS UTRECHT

Recognizing the growing importance of its Software business, Wincor Nixdorf establishes its Software Headquarters in the Dutch city of Utrecht for the purpose of coordinating activities in this area.

2015

CREATION OF AEVI

The market for cashless payment solutions becomes increasingly dynamic. Wincor Nixdorf responds to this trend by separating the successful Cashless Payment business unit and establishing it as an independent operation tasked with driving business forward in this field.

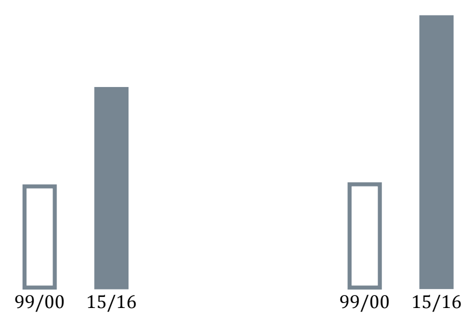
DELTA PROGRAM

Difficult market conditions represent a challenge for Wincor Nixdorf but also offer a number of opportunities. The Company reacts to a changing business environment by spearheading a program of fundamental realignment. The program, referred to as Delta, is executed quickly and effectively. Exceeding all expectations, it helps to strengthen the Company's market position and competitiveness.

2016

THE NEXT STEP

In combining their businesses, Diebold and Wincor Nixdorf have charted a well-judged course for the future. Operating in markets driven by dynamic change, Diebold Nixdorf has positioned itself as a global innovation leader. Delivering IT solutions tailored to the dynamics of connected commerce, the new company bridges the worlds of physical and digital touchpoints in the banking and retail industry.

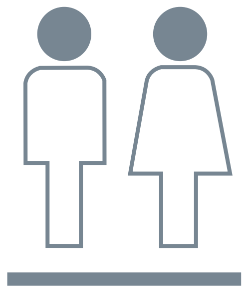


Net sales
99/00 · **€1,338 million**
15/16 · **€2,579 million**

EBITA
99/00 · **€76 million**
15/16 · **€194 million**

Business review:
Long-term growth spanning all business cycles

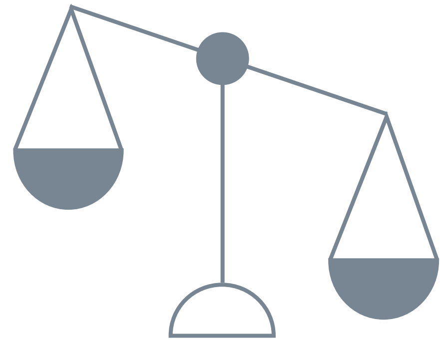
Fiscal 2015/2016 produced the highest net sales and second highest operating profit in the history of the company.



At the heart
of our business:
People

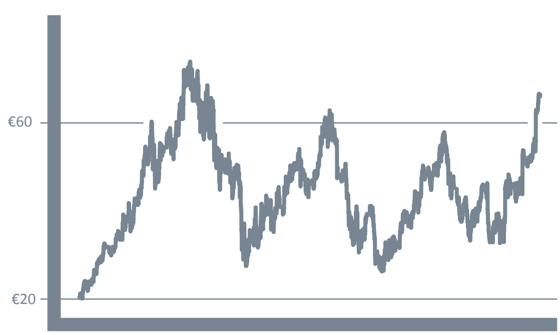
Employees
99/00 · **3,700**
15/16 · **9,080**

Regional distribution 15/16
Germany · **40%**
Europe · **35%**
Asia/Africa · **17%**
Americas · **3%**



Successful refocus
on a market of the future:
Software and Services

Proportion of net sales
99/00 · **33%**
15/16 · **56%**



For shareholders:
A profitable investment

Share value at IPO in 2004
€20.50

Dividend payments per share 2004–2015
€17.50

Market presence: **From international company to global player**

Net sales abroad
99/00 · **49%**
15/16 · **78%**

CONTENTS.

Ladies and Gentlemen,

The financial year just ended proved to be an immensely successful one for Wincor Nixdorf AG. We can draw satisfaction from the fact that our Delta restructuring and transformation program, which is of particular importance to us, was implemented faster than anticipated. This allowed us to focus our efforts much sooner on business activities within a newly created operational setting, thereby paving the way for one of the best fiscal years in the history of Wincor Nixdorf.

More importantly, however – and this is of tremendous significance to the future of our business –, we teamed up with Diebold to shape a new era for our two organizations under the joint name of **Diebold Nixdorf**. In combining our businesses, we are much better placed to seize and exploit market opportunities as they arise. The key focus of our product and service portfolios will be on leveraging potential benefits for our customers in connection with the ongoing digitalization and transformation of business operations. Together, we are even more effective at covering the entire value chain from initial consultation and planning through to professional execution and IT management.

As a single entity, we are also able to offer perfect market coverage in geographical terms. Alongside the benefits of synchronized R&D efforts and sales portfolios within the area of Hardware, the combined group will be in a position to provide more extensive resources for Software and Services. This will make us even more effective in our efforts to support customers as they make the transition toward the digital age of connected commerce. Retail business within the US market will also provide opportunities for growth.

In summary, the decisions made during the fiscal year just ended have made us stronger and have helped us to expand our potential. That is excellent news!

Allow me to look back on fiscal 2015/2016. Having entered the year on the back of a cautious outlook, it became apparent as early as the first quarter that our operating profit would be stronger than our initial guidance had suggested – both before and after non-recurring items. This was attributable primarily to the effective implementation of our restructuring and transformation program, lower-than-expected program costs, and positive one-off effects associated with M&A projects.

Net sales also developed much better than anticipated. After a sluggish prior-year performance, our Retail segment achieved record growth not only in the area of Hardware but also from business relating to Software and Services. This prompted us to revise upward our guidance for net sales: initially after the first half of the fiscal year and then again on completion of the third quarter.

Net sales grew by 6% in fiscal 2015/2016 to reach €2,579 million in total, the highest level ever seen in the history of our Company. Operating profit before non-recurring items rose from €102 million a year ago to €194 million in the period under review. Operating profit after non-recurring items (before transaction costs) increased from €22 million to €198 million.

In view of the significant improvement in performance, we as the Board of Directors, together with the Supervisory Board, are in a position to put forward a proposal to the General Meeting of Shareholders for the payment of a dividend of €1.71 per share for the fiscal year 2015/2016.

We will continue to reap the rewards of the Delta program in the new fiscal year. As a result, net sales for the annual period as a whole are expected to be slightly higher than in the fiscal year just ended. Our operating profit (EBITA) before non-recurring items is likely to be on a par with the figure recorded in fiscal 2015/2016. One-time charges relating to the business combination with Diebold are expected to total approx. €20 million.

In addition to getting back on a winning track, our aim for the fiscal year under review was to drive forward the business combination with Diebold in line with the agreement concluded for this purpose.

In February 2016, Diebold presented a voluntary public takeover offer to the shareholders of Wincor Nixdorf AG. This decision had already been announced by Diebold in November 2015. By April 2016 this offer had been accepted by shareholders representing more than 69% of the Company's share capital. Taking into account the treasury shares held by Wincor Nixdorf, Diebold had thus secured 76.7% of the voting rights in respect of Wincor Nixdorf AG.

Following the approval by various antitrust authorities, we were able to announce the business combination in mid-August 2016. At the end of September 2016 an Extraordinary General Meeting of Wincor Nixdorf AG shareholders approved the conclusion of a control (also referred to as "domination") and profit transfer agreement and a change of name to Diebold Nixdorf.

Even under favorable conditions, it goes without saying that a business combination of these proportions represents a tremendous challenge for all those involved. It is with this in mind that we will again be relying on the thorough commitment and top-class performance of our employees as we move forward.

At this juncture, I would like to express my gratitude – also on behalf of my fellow Board members – to the entire workforce. The tremendous performance of the last months would not have been possible without your exceptional effort and dedication.

I would also like to take this opportunity to thank our customers: for the close rapport established over the years and for the trust placed in Diebold Nixdorf as we venture into a new era. We look forward to maintaining our strong and successful business relationship.

Last but not least, I would like to thank you, our shareholders, for accompanying us on our journey.

Sincerely yours,

Eckard Heidloff

Ladies and Gentlemen,

Fiscal 2015/2016 was a momentous year for Wincor Nixdorf AG. It proved highly successful in terms of financial performance, as evidenced by net sales and operating profit, and highly eventful when one considers the new corporate framework put in place for the purpose of shaping the future of the Company.

Wincor Nixdorf AG can look back on one of the best financial years since its inception. Never before have net sales reached the levels seen in the period under review, and operating profit (EBITA) was the second highest in Company history. Fiscal 2015/2016 saw the best EBITA performance since the financial crisis of 2008, which prompted dramatic changes in the banking industry – a key market for Wincor Nixdorf. The success achieved in the financial year just ended is a testament, above all, to the commitment and determination shown by the employees of Wincor Nixdorf when it came to pursuing the program of restructuring and strategic realignment of business activities. It is thanks to their perseverance that the rewards of this program were evidenced much sooner than originally anticipated.

Beyond this, however, the financial year under review will also go down in the annals of Wincor Nixdorf's history for a very different reason. In parallel with its day-to-day operations, the Company laid the foundations for a business combination with Diebold. The various stages of this process covered everything from the conclusion of a business combination agreement to plans for implementation within the new Diebold Nixdorf organization. The takeover came into effect on the back of what proved to be a successful offer by Diebold to shareholders followed by the completion of relevant approval procedures and the final closing.

In merging their businesses, Diebold and Wincor Nixdorf have charted a well-judged course for the future. Against the backdrop of dynamic change within the markets, further accelerated by current technological developments, the two companies together as partners can embrace this future more successfully than they would have been able to as separate entities.

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.

The Supervisory Board held a total of nine meetings in fiscal 2015/2016, on November 8, November 22, and November 25, 2015, as well as on January 24, January 25, February 10, April 27, July 27, August 16, and September 25, 2016. During these meetings, the Board of Directors informed the Supervisory Board about the Company's situation and performance.

The ten meetings held by the Supervisory Board were attended by all twelve Supervisory Board members, i.e., attendance was 100%. 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.

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 their cash flows and strategic focus.

The Supervisory Board meeting of November 22, 2015, focused among other aspects on the resolution concerning a business combination with Diebold Inc. in the context of a voluntary public takeover offer submitted by Diebold Inc. to the shareholders of Wincor Nixdorf AG as well as on the approval to be granted in respect of the conclusion of the business combination agreement. At the Supervisory Board meeting of February 10, 2016, the joint statement by the Board of Directors and the Supervisory Board of Wincor Nixdorf AG in response to the public tender was agreed.

Prior to this, the Supervisory Board had already held its constitutive meeting on January 25, 2016, and had appointed its committees following the election of new members to the Board.

Subsequent to the completion of the takeover offer the Supervisory Board, at its meeting of August 16, 2016, approved the conclusion of a control (also referred to as "domination") and profit transfer agreement with Diebold Holding Germany Inc. & Co. KGaA and agreed to convene an Extraordinary General Meeting on September 26, 2016. The proposal put forward as regards the items on the agenda for the aforementioned Extraordinary General Meeting included the approval of the control (also referred to as "domination") and profit transfer agreement as well as the change of company name to Diebold Nixdorf Aktiengesellschaft and the election of three new Supervisory Board members.

At its meeting of September 25, 2016, the Supervisory Board passed the fiscal 2016/2017 budget proposed by the Board of Directors and gave its approval to the final draft of the control (also referred to as "domination") and profit transfer agreement in the version subsequently adopted at the Extraordinary General Meeting on September 26, 2016.

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 was chaired from January 25 to September 30, 2016, by the then member of the Supervisory Board Hans-Ulrich Holdenried and has been chaired as from October 1, 2016, by Supervisory Board member Dr. Dieter Düsedau, the respective 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. In addition, it monitored the proper execution of tendering procedures for the appointment of the auditor and Group auditor in respect of fiscal 2016/2017 and issued a recommendation to the Supervisory Board in support of the latter's reasoned proposal to the Annual General Meeting regarding the engagement of an auditor.

The Personnel Committee met on four occasions in the financial year under review: on January 24, April 27, July 27, and August 16, 2016. At the meeting of January 24, 2016, preparations were made with regard to the appointment of Dr. Ulrich Näher as an additional member of the Board of Directors for a period of three years, as implemented on March 1, 2016, and the early extension of contracts with Mr. Heidloff and Dr. Wunram as members of the Board of Directors up to the end of February 28, 2019. Additionally, the structure of compensation in respect of members of the Board of Directors was reviewed. The other meetings dealt with preparations for the amendment of contracts for members of the Board of Directors, the approval of the appointment of the members of the Board of Directors currently in office as Executive Officers of Diebold, Incorporated, and the approval of the conclusion of an Executive Service Agreement between Wincor Nixdorf AG and Diebold, Incorporated.

The Nominations Committee convened on November 24, 2015, and August 16, 2016, in order to pre-discuss – based on objectives adopted by the Supervisory Board for its composition – the selection criteria for the proposal to be submitted by the Supervisory Board to the Annual General Meeting on January 25, 2016, as well as the Extraordinary General Meeting on September 26, 2016, for the election of shareholder representatives to the Supervisory Board.

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 23, 2016, 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.

Approval of the annual accounts and adoption of the Group financial statements. On January 25, 2016, 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 2015/2016, 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 2015/2016, 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 no objections were required. Consequently, at its meeting on November 23, 2016, 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, giving its unqualified approval to the proposal of the Board of Directors.

Review and approval of dependent company report. Upon consummation of the takeover offer by Diebold, Inc., Wincor Nixdorf AG became an entity dependent on Diebold, Inc. In accordance with statutory requirements, the Board of Directors has thus drawn up a report on relationships with affiliated companies (dependent company report) for the period since the consummation of the takeover offer up to the end of the fiscal year 2015/2016. The dependent company report was also examined by the auditor. The dependent company report was issued with the following unqualified audit opinion: "Having duly examined and assessed this report, we confirm that the factual statements made in the report are correct, the company’s consideration with respect to legal transactions listed in the report was not inappropriately high, and there are no circumstances that indicate a materially different assessment of the measures listed in the report from that given by the Board of Directors.“

The Audit Committee and the Supervisory Board deliberated on and reviewed the dependent company report at meetings held on November 22 and 23, 2016. The members of the Audit Committee and Supervisory Board received both the dependent company report and the associated audit report prior to their respective meetings, enabling them to examine the contents of the aforementioned reports in due time. The auditors participated in deliberations by the Audit Committee and the Supervisory Board in respect of the dependent company report. They reported on the results of their audit and were available to answer questions. The Supervisory Board approved the findings of the auditor’s audit at its meeting on November 23, 2016.

Based on the final result of the Supervisory Board's own review, no objections were raised against the declaration of the Board of Directors at the end of the dependent company report.

The Supervisory Board determined its proposed resolutions for the agenda of the Company's Annual General Meeting to be held on January 23, 2017, 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 Zvezdana Seeger, Prof. Dr. Achim Bachem, and Hans-Ulrich Holdenried expired upon resignation from the Supervisory Board effective from the end of September 30, 2016. The terms of office of the Supervisory Board members Elizabeth C. Radigan, Andreas W. Mattes, and Christopher A. Chapman, who were newly elected by the Extraordinary General Meeting of September 26, 2016, are scheduled to end as of the Company's Annual General Meeting responsible for approving the actions of the members of the Supervisory Board for fiscal 2020/2021. The terms of office of the six employee representatives and of Dr. Julia Barth, as well as the 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 2019/2020. 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.

On completion of fiscal 2015/2016, Wincor Nixdorf, as a part of Diebold Nixdorf, can look forward to a new chapter in the rich and varied history of the Nixdorf company. The men and women working here can do so safe in the knowledge that they performed admirably and with tremendous success in the year under review. This year's accomplishments required a considerable amount of dedication and a strong performance on the part of the Board of Directors as well as the Company's employees and staff representatives. The Supervisory Board is fully aware of this outstanding effort and would like to express its gratitude to all those involved. The Supervisory Board wishes the entire team and the Company, in its newly combined form, all the best for the future.

Paderborn, November 23, 2016

Dr. Alexander Dibelius
Chairman of the Supervisory Board

WINCOR NIXDORF STOCK.

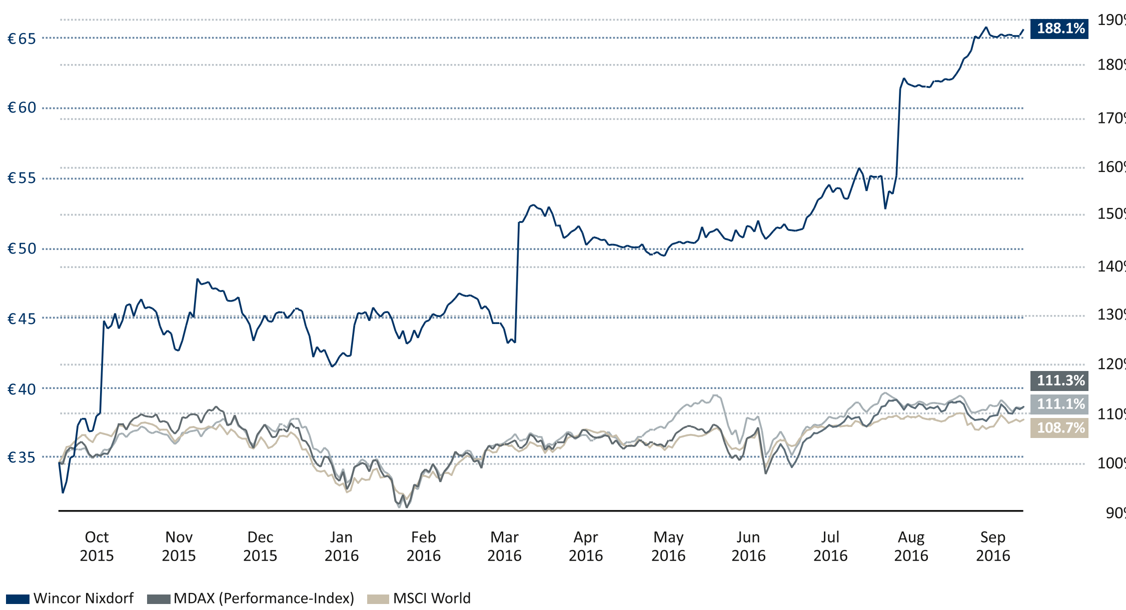
Share price heavily influenced by Diebold takeover.

Share Performance.

At the end of the period under review Wincor Nixdorf shares stood at €66.54, 88.1% up on the opening price recorded at the beginning of the fiscal year (October 1, 2015). The scale of this increase meant that Wincor Nixdorf's stock outperformed the MDAX (+11.3%) and the SDAX (+11.1%) by a considerable margin. There were three major rises in the stock's trading price over the last fiscal year, in each case following announcements linked to the takeover by Diebold, Inc.

The highest trading price in the period under review was €66.96 on September 19, 2016, while the lowest figure, recorded on October 2, 2015, was €32.57.

Performance of Wincor Nixdorf shares compared to MDAX,SDAX and MSCI World.



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.

Since June 20, 2016, Wincor Nixdorf AG's stock has been listed in the SDAX index (previously MDAX).

According to data issued by Deutsche Börse for September 2016, Wincor Nixdorf is ranked 78th in the index on the basis of market capitalization (previous year: 46th) and 37th (previous year: 31st) on the basis of trading volume.

Wincor Nixdorf Shares – Key Facts & Figures.

	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
Opening price (XETRA)	€35.36	€40.50	€46.35	€30.54	€33.28
Fiscal year-end price (XETRA)	€66.54	€35.10	€40.56	€46.16	€30.43
Fiscal year high (XETRA)	€66.96	€50.51	€58.07	€51.15	€41.90
Fiscal year low (XETRA)	€52.57	€32.31	€35.26	€29.50	€26.41
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	29,816,211	29,816,211	29,776,490	29,776,490
Free float	90.1%	90.1%	90.1%	90.0%	90.0%
Market capitalization as of September 30	€1,983m	€1,047m	€1,209m	€1,374m	€906m
Total dividend	€51m[1)]	€0m[1)]	€52m	€44m	€31m
Dividend per share	€1.71[1)]	€0.00[1)]	€1.75	€1.48	€1.05
Dividend yield (based on fiscal year-end price)	2.57%	0.00%	4.31%	3.21%	3.45%
Earnings per share	€3.37	€0.22	€3.39	€2.93	€2.10

1) Proposed dividend.

Shareholder Structure – Broad Scope of International Ownership.

At the end of the reporting period the following entity held an interest in Wincor Nixdorf in excess of the disclosure threshold, based on notifications specified under Section 21 WpHG (German Securities Trading Act):

- Diebold, Incorporated (over 50%)

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.

Investor Relations.

Following the publication of our quarterly figures 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 and our Annual General Meeting.

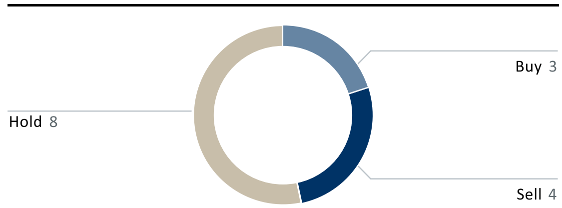
Analyst Coverage.

At the end of the period under review, the Company was officially covered by 15 financial analysts, who issued regular comments and recommendations. These analysts are (in alphabetical order):

Bankhaus Lampe, Commerzbank, Deutsche Bank, DZ Bank, equinet Bank, Hauck & Aufhäuser , Independent Research, KeplerCheuvreux, LBBW, MainFirst, M. M. Warburg, National-Bank, Nord/LB, Oddo Seydler, and UBS.

Analyst recommendations at the end of fiscal 2015/2016:

Summary of Analyst Recommendations. number



Annual General Meeting.

Shareholders attending the Annual General Meeting (AGM) of Wincor Nixdorf AG in Paderborn, Germany, on January 25, 2016, represented just under 52% of the Company’s voting rights. The extraordinary general meeting of Wincor Nixdorf AG shareholders held on September 26, 2016, in Paderborn – partly to seek approval for the proposed control and profit transfer agreement between Wincor Nixdorf AG and Diebold Holding Germany Inc. & Co. KGaA – was attended by shareholders or proxies representing nearly 75% of the Company's voting rights. All resolutions on the agenda were adopted with large majorities.

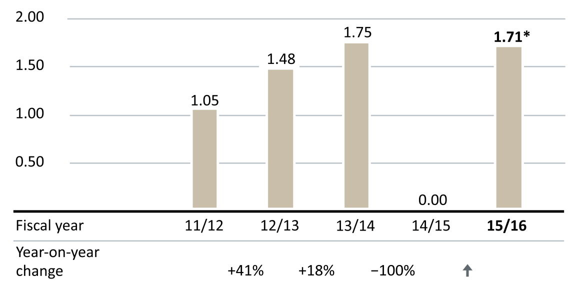
The next Annual General Meeting is scheduled to take place in Paderborn on January 23, 2017.

Consistent Dividend Strategy.

Since its flotation in 2004, the Company has consistently maintained a policy of distributing around 50% of profit for the year to its shareholders. Accordingly, based on profit for the year of €102 million, the Board of Directors will propose a dividend of €1.71 per share in respect of the fiscal year 2015/16.

The company did not pay a dividend for fiscal 2014/2015.

Dividend history. **€ per share**



* Proposed dividend.

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.

CONTENTS.

WINCOR NIXDORF AG
GROUP MANAGEMENT REPORT
FOR THE FISCAL YEAR 2014/2015

FUNDAMENTAL INFORMATION ABOUT THE GROUP.

Structure and Business Operations.

Overview.

Global IT specialist with a consumer-facing business. Wincor Nixdorf is one of the world's leading providers of IT solutions and services to retail banks and the retail industry. We also serve customers with similar structures, such as postal companies and service station operators. Our comprehensive portfolio is designed to support our customers' business operations – especially at branch and store level – in both sectors. Our core business involves optimizing and redesigning processes with the help of information technology.

The Group's global workforce numbers around 9,100. Over half are employed outside Germany. Around two-thirds of the Group's net sales are generated by its retail banking products and services and roughly one-third from its retail industry business. Software and Services account for over half of the Group's business, while the rest is attributable to Hardware sales.

Europe remains Wincor Nixdorf's domestic market; it contributes 70% of the Group's net sales. The Asia/Pacific/Africa region contributes 18% of total net sales, while the Americas make up a further 12%. Wincor Nixdorf is represented – either directly or through its partners – in around 130 countries all over the world. We have established our own local subsidiaries in 42 countries. We also collaborate with experienced sales partners that have an excellent knowledge of the local requirements and conditions affecting our customers. This gives us unrivaled proximity to our customers wherever we do business.

We have a particularly strong global presence in the field of IT Services. To ensure the maximum possible availability and reach of all the systems we install, our well-established Services team works with a network of certified partners. This allows us to guarantee consistently high quality worldwide. Reflecting our main business sectors, our Group reporting system is divided into Banking and Retail segments.

The business-related details presented and described in this management report are based on the following structure:

Group Reporting Structure.

GROUP

BANKING SEGMENT | **RETAIL SEGMENT**

Additional information is provided in respect of:

BUSINESS STREAMS
> Software/Services
> Hardware

REGIONS
> Germany
> Europe (without Germany)
> Asia/Pacific/Africa
> Americas

Legal Structure of the Company.

Wincor Nixdorf is a stock corporation (Aktiengesellschaft) under German law. The Company's headquarters are in Paderborn, Germany. There were no changes to the Company's legal structure in fiscal 2015/2016.

A total of 90 companies are fully consolidated in the Group's financial statements. Further details of the scope of consolidation are presented in the notes to the consolidated financial statements [29].

Information pertaining to mergers and acquisitions in connection with the "Delta" restructuring and realignment program can be found in section Mergers and Acquisitions as part of Delta of this report.

We have an international network of hardware production facilities that includes a number of external partners. The Group has production sites in Germany and, as part of a joint venture, in China.

Our research and development activities are also spread around the world – in Germany, Switzerland, Poland, Singapore, and the Czech Republic. Additionally, we collaborate with a growing network of external partners and research institutes.

Business Model.

Development of business processes with intelligent IT solutions. Wincor Nixdorf effectively supports the efforts of banks and retailers to gear their operations to the requirements of the digital age. Accordingly, one of our core tasks is to link digital and stationary sales channels together in a way that promotes new business.

There are two factors that our clients now have to take into account if they wish to remain competitive. Firstly, they have to adapt to the changing behavior patterns and changing expectations of consumers who are increasingly turning to electronic and mobile communication channels. The challenge here is to enhance the customer experience across the whole range of sales channels. Secondly, the general business environment – characterized by growing competition, low interest rates, and tighter regulation – means they have to continue streamlining their cost structures. One way in which they can achieve this is through further process automation and optimization.

At the same time, both retail banks and retailers have to meet the challenges thrown up by their ongoing international expansion. This process demands technological solutions that can be easily adapted and extended to new markets.

Our Company supplies the information technology – Software, Hardware, and Services – that our customers need in order to overcome these challenges and seize new market opportunities as they arise. In line with the rapid advance of digitalization, we are keen to push software and software-related services to the forefront as the main engine of growth within the Wincor Nixdorf Group. At the same time, however, we plan to harness future business opportunities with our innovative hardware and to adapt our resources in this area so that we can operate more cost-effectively and even more competitively. Our success therefore depends on our ability to develop leading technologies and solutions that simplify the interfaces between our clients' processes and their customers and help our clients to work more efficiently and productively. In order to support this ongoing transformation of our clients' operations and establish ourselves as a long-term innovation partner, we make it our business to develop a thorough understanding of their processes. In this context, one of our key strengths is the fact that our customers can find all the products, services, and know-how they require from a single provider. From their perspective, that reduces the complexity of the transformation process. Furthermore, we can apply our strengths in a fully integrated form. At the same time, we are systematically extending our range of expertise and developing new and highly competitive services from directly within the market. Another factor in our favor is that we are in a strong position to retain the loyalty of our customers in the long term by providing support across the full spectrum. 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."

Product and Service Portfolio.

Full-spectrum portfolio encompassing Software, Services, and Hardware. Wincor Nixdorf supplies IT solutions that can be implemented by retail banks and retail industry customers to create efficient and highly automated processes across all their sales channels. Our portfolio encompasses Software, Services, and Hardware. We cover the full spectrum of products and services – from process consulting and design through to delivery and integration of the right solution and ongoing operational support.

Two of the areas in which we specialize are:

- omni-channel software to link digital and stationary sales channels;
- the integration of mobile technologies, such as tablets, that can be deployed by our banking customers at branch level, for instance, to offer more detailed advice, and checkout applications on mobile devices for our retail customers.

Our highly available IT solutions facilitate customer-friendly and secure processing of standard transactions in the retail banking sector while creating a service-led purchasing environment for retailers.

In addition, alongside one of its core competencies – cash processing –, Wincor Nixdorf continues to develop its portfolio of cashless transaction solutions.

Takeover of Wincor Nixdorf AG by Diebold Incorporated USA.

On November 23, 2015, Diebold, Incorporated with its registered seat in North Canton, Ohio, United States of America ("Diebold Inc.") published its decision to launch a voluntary public takeover offer to all shareholders of Wincor Nixdorf AG. Previously on the same day, Wincor Nixdorf AG and Diebold Inc. entered into a business combination agreement. On February 5, 2016, Diebold Inc. published a voluntary public takeover offer to all Wincor Nixdorf shareholders for the acquisition of their ordinary bearer shares without par value, each representing a notional value of €1.00 in the share capital of Wincor Nixdorf. The closing of the takeover offer was, inter alia, subject to the condition that an acceptance level of at least 22,362,159 Wincor Nixdorf shares (this corresponds to about 67.6% of all Wincor Nixdorf shares existing as of the date of approval of publishing the offer document by the Federal Financial Supervisory Authority (BaFin), which corresponds to a threshold of more than 75% of the voting rights of Wincor Nixdorf AG excluding treasury shares of Wincor Nixdorf AG) would be met.

In the course of the settlement of the takeover offer, the tendered Wincor Nixdorf shares were, in accordance with the terms and conditions of the takeover offer, transferred directly into a securities deposit account of Diebold KGaA without any prior acquisition or temporary purchase by Diebold Inc. The 22,876,760 Wincor Nixdorf shares held directly or indirectly by Diebold KGaA and Diebold Inc. correspond to a direct and indirect participation of 69.1% of the current share capital of Wincor Nixdorf AG, which is divided into 33,084,988 shares, and to a proportion of 76.7% of the voting rights of Wincor Nixdorf AG (excluding Wincor Nixdorf's treasury shares, which carry no voting rights pursuant to Section 71b of the Stock Corporation Act). The acceptance period expired on March 22, 2016, at 24:00 hours.

The additional acceptance period commenced on March 30, 2016, and expired on April 12, 2016, at 24:00 hours. On the expiration of the additional acceptance period, the takeover offer was accepted for 22,876,760 Wincor Nixdorf shares in total, which corresponds to 69.1% of the share capital of Wincor Nixdorf AG. In addition, 241,324 voting rights of Wincor Nixdorf shares were attributed to Diebold Holding Germany Inc. & Co. KGaA, registered according to its articles of association in Eschborn, Germany, and entered in the Commercial Register of the District Court of Frankfurt am Main under the reference HRB 104287 ("Diebold KGaA"), pursuant to Section 30 of the German Takeover Act (WpÜG) at the end of the additional acceptance period, which were counted when calculating the acceptance level. In total, this is equivalent to about 69.9% of the share capital of Wincor Nixdorf AG.

On April 8, 2016, Diebold Inc. and Diebold KGaA announced that they intended to enter into a control (also referred to as "domination") and profit-and-loss transfer agreement with Diebold KGaA as controlling company and Wincor Nixdorf AG as controlled company. In a resolution passed on May 2, 2016, the Board of Directors of Wincor Nixdorf AG formally resolved to enter into negotiations with Diebold Inc. and Diebold KGaA regarding such an agreement. This agreement was concluded on September 26, 2016, after approval was granted by the general shareholder meetings of each party. Pursuant to this agreement, exit compensation for external shareholders of Wincor Nixdorf AG amounts to €55.02 per share, while the net settlement for the duration of this agreement stands at €2.82 per share for each full fiscal year of Wincor Nixdorf AG.

Under the terms of the agreement, Wincor Nixdorf AG subordinates its management to Diebold KGaA and undertakes to transfer all of its profits to Diebold KGaA. In turn, Diebold KGaA undertakes to compensate any loss incurred by Wincor Nixdorf AG and to grant adequate recurring compensation (Ausgleich) and an adequate exit compensation payment (Abfindung) to outside shareholders. Pursuant to Section 294(2) of the Stock Corporation Act, the agreement will become effective upon entry into the Commercial Register at the registered office of Wincor Nixdorf. The agreement had not yet been entered into the Commercial Register when this annual report was produced. The full text in respect of the control (also referred to as "domination") and profit-and-loss transfer agreement can be accessed online (www.wincor-nixdorf.com) in the Investor Relations > General Meeting section.

On September 26, 2016, the Annual General Meeting passed a resolution to change the trading name of the Company from Wincor Nixdorf Aktiengesellschaft to Diebold Nixdorf Aktiengesellschaft and to amend Article 1 (1) of the Articles of Association accordingly. Equally, this change will not take effect until the corresponding entry is made in the Commercial Register for the area in which Wincor Nixdorf's headquarters are located. This had not yet been done when this annual report was produced.

Objectives and Strategy.

Corporate Objective.

Profitable growth. Our goal is to generate profitable growth. The Company's strategy and the associated strategic measures are geared toward this goal. In pursuing this objective, we are looking to capitalize on the following long-term trends:

- Advancing digitalization within the retail banking and retail industries presents us with the opportunity to shape specific change processes relating to our customers' business operations, particularly in the innovative-driven industrialized markets. This can be achieved by expanding our Software and Automation business.

- The demographic and economic significance of the emerging markets will continue to grow well into the future. We want to seize the growth opportunities associated with this trend, regardless of the fact that prevailing market conditions currently pose a challenge to business dealings in the BRIC countries.

Strategy.

Four strategic fields. Despite our efforts to refocus as we transform our Company in response to changing market conditions (Delta program), our original strategy remains unchanged. It encompasses four key strategic fields:

1. **Building on our strength in Europe to generate growth in the emerging markets.** When it comes to advancing our business in the emerging countries, the corporate goal of "profitable growth" will take precedence over that of "capturing market share."

   Our global business activities will continue to be founded on our strength within the home market of Europe. This region is a major pacesetter for international trends in the customer industries targeted by our business and provides the central platform for Wincor Nixdorf's future advancement within the global markets. Consequently, it is of prime importance to us that we help shape the technological future of retail banking and the retail industry within the European market in the role as a market-leading enterprise. Given the changes seen in the level of global economic development, however, we will also focus more purposefully on other advanced markets such as the United States.

2. **Strengthening our market position through innovation.** Today's innovations are the foundation of our business success in the future. The products and services we develop are designed to drive the process of change among our customers and help to establish us as a much sought-after partner when it comes to the forward-looking transformation of banking and retail operations.

The focus of our R&D activities in the coming years will be on our Software business in particular. Together with innovative hardware, our software portfolio is set to be one of the key drivers of change in our customers' business operations.

In addition to further increasing capital expenditure on R&D, we will expand our portfolio for cashless and mobile payment, which was pooled within a separate enterprise by the name of AEVI at the beginning of the new fiscal year 2015/2016.

3. **Cementing and expanding our Services portfolio.** Demand for IT services continues to grow around the globe, and this also applies to retail banks and retailers. Given the more pronounced level of competition, these industry players are particularly eager to drive down costs without compromising on security and service availability.

   This includes the ambition in particular to focus our growth on the area of high-end services, such as Managed Services and Outsourcing. In parallel, we plan to strengthen our Product-related Services, which continue to constitute a sizeable proportion of our IT Services business.

4. **Adapting expertise to similar applications by leveraging synergies.** There are growing similarities between the sales concepts adopted by banks and retailers. The convergence of these industries in respect of their underlying concepts presents an opportunity for us to harness the available synergies and generate additional growth.

"Delta" Restructuring and Realignment Program.

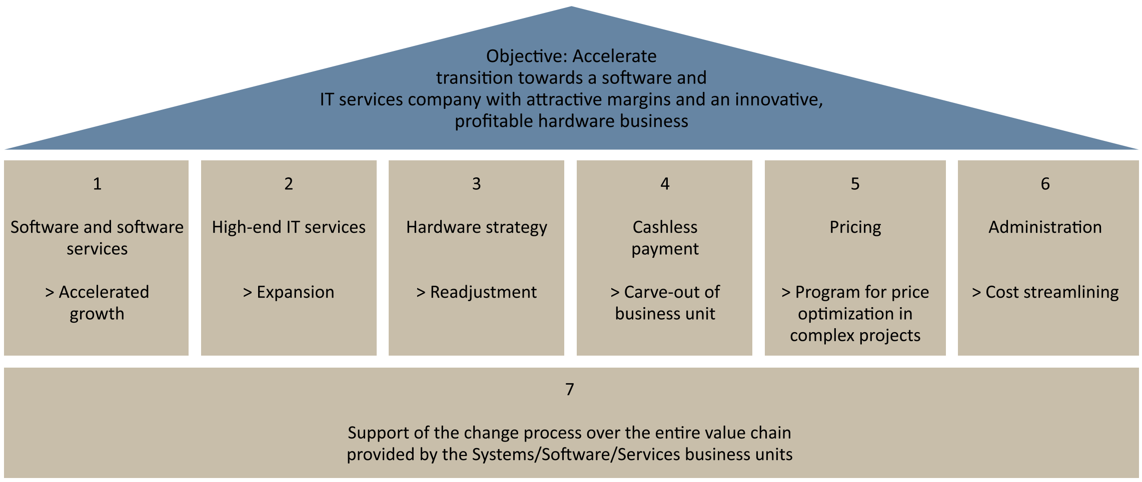
In fiscal 2015/2016, Wincor Nixdorf made rapid progress and achieved considerable success in the implementation of its Delta restructuring and realignment program, which was launched in the previous year.

The objective of the seven-point program is to accelerate the company's transformation into a software and IT services company capable of generating attractive margins alongside an innovative and profitable hardware business. Although the associated restructuring measures were originally expected to generate non-recurring costs in the region of €120 million, Wincor Nixdorf managed to limit this expense item to around €100 million. In total, 80% of these one-off expenses were incurred in fiscal 2014/2015 and the remaining 20% in fiscal 2015/2016. By fiscal 2017/2018 the program is expected to produce a positive effect on earnings equivalent to €120 million per year. Wincor Nixdorf has been moving towards this target faster in recent months than it had anticipated at the start of Delta. The boost to earnings in fiscal 2015/2016 was as much as €90 million, visibly higher than the figure of €50 million originally predicted for this period.

The Delta program was designed in response to changes in our markets. Among banks and retailers, demand for software and high-end services is being driven by increasing digitalization; we aim to benefit from this trend over the long term. Additionally, we plan to seize further opportunities for dynamic growth in the promising field of cashless payment.

As regards the overall depth of the value chain, our Hardware activities, which remain an important part of our business, have been redimensioned so that we can achieve adequate margins even against the backdrop of slower growth and more pronounced market and price volatility. As part of the restructuring program, Wincor Nixdorf is streamlining its costs and significantly adjusting its capacity, above all in those corporate functions that are linked to the Hardware business, such as development, global production and the supply chain, sales, and HQ operations.

Seven-point Program for Strategic Realignment.



1. **Considerable acceleration of growth in the Software business and associated Professional Services.** As part of our drive to boost growth in the Software business, we have appointed a number of software engagement managers to strengthen our sales teams in the areas of Software and Professional Services. In line with our nearshoring efforts, we have taken further steps to adapt our supply model for Professional Services. Our Software development and testing activities are now concentrated at two global supply centers in Katowice (Poland) and Pilsen (Czech Republic), which are also responsible for delivering our system integration projects.

   With a view to strengthening its capacity in the area of Professional Services, Wincor Nixdorf acquired a majority stake in the Belgian consulting firm Projective. Projective specializes in project management for the financial services industry, advising primarily on the design and implementation of omnichannel solutions.

2. **Expansion of high-end IT services for operations management such as Managed Services and Outsourcing.** In the IT Services business we focused on measures to increase profitability. With regard to product-related services, we outsourced less profitable orders to external providers. This allowed us to utilize our in-house capacity more efficiently with regard to our service teams and boost profitability. Turning to the Managed Services and Outsourcing business, we have now started to build up our nearshoring capacity.

3. **Fundamental realignment of hardware strategy.** In the Hardware business we concentrated on the final stages of system production and on our core competencies in the field of technology. To this end, we scaled back the level of vertical integration, increased the volume of supplies we obtain from countries with more favorable cost structures, and further reduced our own manufacturing capacity.

   The focus of our Hardware portfolio was on competitive and profitable products. We consistently avoided less profitable models and prioritized those configurations which offered greater potential as regards unit sales. In the case of our CINEO systems, for example, we discontinued more than 100 of the models previously available to order, stopping production of complete systems and reducing the number of teller safe models. We introduced a 'One Wincor PC' as a way of reducing the number of PC variants in our systems.

   In order to maximize availability and cost-efficiency throughout the supply chain, country-based and client-specific modifications of standard systems are now centralized at the sites where the systems are actually produced. As a result, we were able to downsize and even close some of our distribution and configuration centers in various countries.

   As regards the development of new hardware, we have opened ourselves up to business partnerships and collaborative activities with other companies. This strategy includes the OEM distribution of core technologies and the OEM procurement of niche technologies. One example of the implementation of this strategy is our cooperation with Hess Cash Systems. Hess will now supply coin handling components. It has taken over the workforce at Wincor Nixdorf's Coin

Competence Center as well as the production of coin deposit and recycling systems.

As part of its overall plan to scale back manufacturing capacity, Wincor Nixdorf sold its toolmaking unit to Autmaring GmbH (Paderborn, Germany). Under the terms of the deal, Autmaring also took over the 70-strong workforce and will now act as one of Wincor Nixdorf's strategic suppliers in the area of toolmaking.

4. **Independence and advancement of business unit for cashless payment.** We separated our successful Cashless Payment business unit and established it as an independent operation. The new company – referred to as AEVI – was formed on October 1, 2015, and is now trading as a start-up in the fast-growing market for cashless and mobile transactions. AEVI has formed partnerships and cooperations with other players in the payment market with a view to harnessing new opportunities for growth. Additionally, the private equity investors HPE and Adveq acquired non-controlling interests.

5. **Program for price optimization.** In the fiscal year under review we set up a Pricing Office with the objective of improving our margins and price discipline. The Pricing Office plays an active role in all cases where orders expose the Company to economic or technical risks or where the costing process involves substantial volumes. Its introduction has allowed us to speed up implementation and create greater transparency in the tendering process.

6. **Streamlining of administration costs.** We have implemented a wide range of measures at every level of the organization in order to reduce complexity, simplify functions and processes, and therefore reduce our costs further. For example, we revised and streamlined our regional management models and defined and implemented new and complete go-to-market approaches geared to market conditions. We also reviewed our global office and building capacity and adjusted it to match our current needs.

7. **Organizational support to implement changes.** Alongside our existing Banking and Retail segments, which are responsible for customer support across the entire portfolio, we have established three dedicated business units entitled Software, Services, and Systems. As horizontal units, they are accountable for the complete value chain – from development through to deployment.

"Mergers and Acquisitions" as part of Delta.

Committed to generating growth in the field of high-end services, software, and cashless payment solutions, we completed a number of acquisitions as well as a demerger in the period under review. Additionally, we established a joint venture for the purpose of serving the Chinese market.

In order to expand our software-related services business, we acquired – effective from March 1, 2016 – a majority interest in Projective, a firm specializing in program and project management within the financial services sector. The Belgian company employs more than 100 highly qualified consultants and project managers. Headquartered in Brussels, Projective also has offices in London and The Hague.

As discussed in the section outlining our Delta program of restructuring and realignment, we completed a demerger of our successful business unit for cashless payment solutions at the beginning of the new fiscal year and established it as an independent entity. In addition, the private equity investors HPE and Adveq acquired an ownership interest in AEVI of 13.36% in total for an aggregate sum of €30 million.

Effective from October 1, 2015, we acquired Brink's secure transportation activities in the Netherlands, thereby expanding our local capacity levels for cash management. The rationale behind this takeover was, primarily, to introduce structures that would allow us to provide a one-stop service covering cash management and cash logistics for leading Dutch banks as part of long-term agreements within this area. Wincor Nixdorf took over the business, infrastructure, and employees of Brink's Netherlands and incorporated them within SecurCash, its subsidiary specializing in cash management and logistics. Alongside the advantages from our essential expansion of capacity levels, SecurCash and Brink’s Netherlands complement each other perfectly. As a result of this merger, the new SecurCash enterprise based in Rotterdam can also reap the rewards of synergies generated from business dealings with banks and retailers, as Brink’s Netherlands serves a broad customer base in the Dutch retail sector. Following the business combination, the company – employing more than 600 people – covers the entire cash logistics chain via cash centers distributed throughout the Netherlands.

CI Tech Components AG, a joint venture established by Wincor Nixdorf and Giesecke & Devrient in 2011, was divided into two separate companies – CI Tech Components AG and die CI Tech Sensors AG – effective from January 1, 2016. In future, CI Tech Components AG will focus on module-specific business, while CI Tech Sensors AG will concentrate on sensor technologies used in the identification of genuine currency. Wincor Nixdorf will hold a 75% interest in CI Tech Sensors AG and a 25% interest in CI Tech Components. CI Tech Sensors AG brings together the full range of activities associated with the development and production of banknote readers. This includes the provision of currency datasets for deposit and recycling solutions. CI Tech Components is responsible for driving forward and marketing short-edge-first deposit and recycling modules for the OEM market. Both entities are headquartered in Burgdorf, Switzerland.

On December 1, 2015, we acquired the remaining interests – equivalent to 50% – in the IT service company Winservice AS in Oslo, Norway. Additionally, all interests in two service station support companies, based in Cologne and Kraków, were acquired effective from April 1, 2016.

In China, meanwhile, we entered into a joint venture agreement with AISINO CORPORATION (hereinafter referred to as "Aisino"), a Chinese company specializing in IT security solutions, cashless payment terminals, and chipcards for financial transactions. In doing so, we transferred a large part of our business activities in China to this joint venture. The joint venture is aimed at strengthening our position within the key market of China and cultivating, in particular, the large banking sector by providing solutions tailored to the various regulatory requirements in this country. Trading under the name of Aisino-Wincor, the joint venture offers banks and retail companies an extensive range of hardware, software, and services. Aisino holds a majority interest in the joint venture.

Expenses relating to restructuring measures associated with the Delta program were fully accounted for in the fiscal year 2015/2016. At the same time, however, the positive effects of this program will continue to be evident in the coming years.

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 as well as their corresponding markets and customers with a view to identifying changes and developments and building them into our corporate targets at an early stage. Strategic planning also covers the Group's main business functions (Production and Procurement, Research and Development, Services) to ensure that they are aligned with changes in customer and market requirements. It provides the basis for 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 also includes 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 also plays a key role in operational planning and in decision-making at an operating level. 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, if required, initiate measures to ensure 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 ensures that the system remains up to date and effective.

Financing strategy provides room for maneuver. One of the prime objectives of the financing strategy adopted by Wincor Nixdorf is to maintain adequate levels of liquidity in order to ensure that the Company has sufficient financial scope to maneuver in respect of its ongoing business activities. At the same time, the aim is to make sure that the financial requirements associated with sustained growth by the Company are taken into account.

For the purpose of providing sufficient financial scope in pursuit of this goal, we entered into an agreement with Diebold Self-Service Solutions S.A.R.L. at the beginning of August 2016 covering a revolving credit line of €300 million over a term of five years. This loan agreement replaces the revolving credit facility of €300 million originally provided by several banks, which was terminated at the end of August 2016. Additionally, we anticipate that the current loan from the European Investment Bank covering an amount of €65 million will be extinguished in early 2017 prior to maturity.

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 senior 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). Starting from EBITA as the base, both EBITDA and net income generally move in the same direction.

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 control parameters. Wincor Nixdorf also makes use of other financial and non-financial 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 **net cash from operating activities**, **working capital**, **gross profit margin**, **research and development costs,** and **selling, general, and administration expenses**. **Profit for the period** serves as the basis for our dividend policy, while the **financial result (i.e., net finance income/cost)** and **taxes on income** (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 R&D 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.

Sustainability.

Taking an all-round view of sustainability.

Long-term business success can only be achieved by taking into account all the factors that affect the Company. Our sustainability policy therefore reflects not just economic considerations but also environmental and social concerns.

Three central Competence Centers are fully established at Group level with active remits for the environment, occupational safety, health, and staff welfare. 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 central business areas and from production. Each Area (country group) and production site designates officers with local responsibility for the environment, occupational safety, health, and staff welfare. At Group level, we also appoint fire marshals, first aiders, evacuation assistants, safety officers, environmental officers, and safety experts.

The action prescribed under 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.

We also maintain a regular dialog with the management teams for the Areas into which our Group is divided. This allows the various Areas to share examples of best practice and learn from each other's successful initiatives.

A sustainability strategy to match our corporate values.

Wincor Nixdorf's sustainability strategy is underpinned and guided by its understanding of fundamental values.

- On the basis of our materiality analysis we lay out why certain factors and their impact are important to Wincor Nixdorf and its stakeholders. This involves a structured process to filter out the sustainability issues that are particularly relevant to our stakeholders and our Company, rating those issues, and focusing on them in our sustainability reports.

- Equally, we describe how Wincor Nixdorf identifies the current status of sustainability measures and how it measures progress.

Progress on key sustainability issues.

As part of a continuous improvement process, we focused on the following measures during the reporting period 2015/2016:

Environmental measures

- All the energy audits covering the Group's sites in Germany and across the EU were successfully completed in the period under review. This involved measuring our consumption of electricity, gas, and heating energy, evaluating the results, and identifying ways of saving energy to be implemented wherever economically feasible.

Social measures

- In collaboration with the Employers' Liability Insurance Association, we launched a pilot project at a German subsidiary that involved conducting an employee survey to assess the extent to which emotional and mental stress can put jobs at risk.

Sustainability Report.

The measures we implement and the progress we make on our way are documented every year in our Sustainability Report, which is based on the international guidelines of the Global Reporting Initiative (GRI). Our 2014/2015 Sustainability Report was issued online, i.e., a web-based version was made available on the internet so that visitors to our website could generate a pdf document of the entire report, individual sections, or just the key indicators. Our sixth Sustainability Report, covering fiscal 2015/2016, will also be published as an online report at the beginning of 2017.

Current elements of the Sustainability Report.

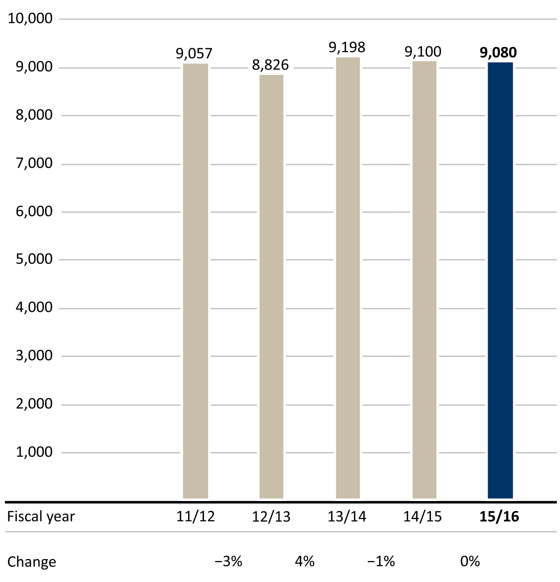
- **Carbon Footprint:** With regard to the goal of optimizing our products from an environmental perspective, our first milestone involved conducting and evaluating environmental impact tests, e.g., by calculating individual product carbon footprints. The environmental impact of each product is analyzed over its entire life cycle (production, use, and disposal) and presented in terms of climate-damaging CO_2 emissions.
- **EU directive:** Starting in 2017, directive 2014/95/EU will oblige companies to disclose certain non-financial information. Thanks to its annual reporting and established sustainability management systems, Wincor Nixdorf is well placed to comply with the new directive.
- **Stakeholder dialog:** We are working in close cooperation with a consulting firm with regard to the issue of ecodesign. Ecodesign is guided by the principles of sustainability. The goal is to achieve the greatest possible utility for all stakeholders (at each stage of the value chain) through smart use of the available resources while minimizing any environmental impact and ensuring fair social conditions. After a successful launch event in summer 2016, we plan to continue our work in this area in fiscal 2016/2017 and identify priority areas based on analyses of consumption.

Employees.

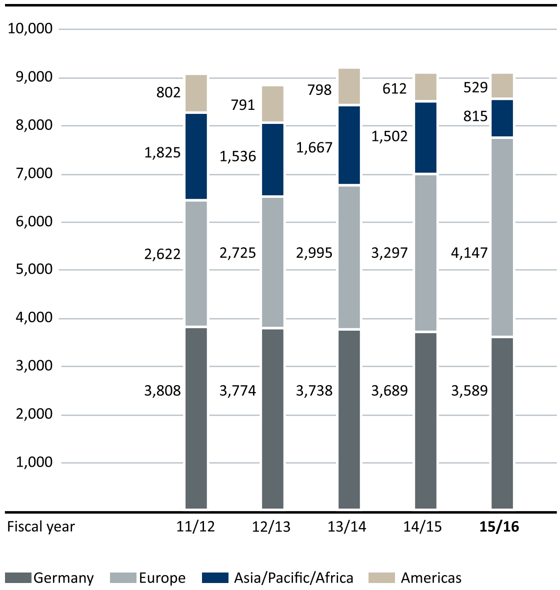
Employee structure.

As of September 30, 2016, our Group's total headcount stood at 9,080, compared with 9,100 at the end of fiscal 2014/2015. This modest reduction in absolute terms does not reflect the scale of personnel restructuring driven primarily by our Delta program, changes in the make-up of the consolidated group, and various acquisitions.

Group Headcount.

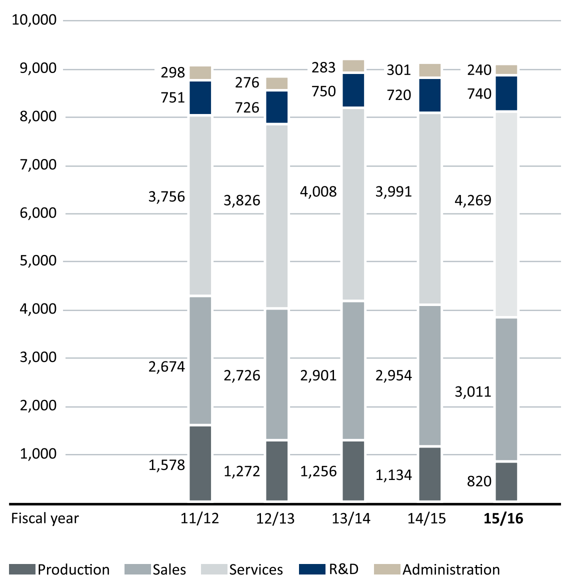


Group Headcount by Region.



Progress made in connection with the Delta program, which advanced faster than originally planned, is reflected in the adjustments to our personnel structure. Measures under the Delta program had envisaged downsizing of 1,100 jobs in total by the end of fiscal 2017/2018. By the end of fiscal 2015/2016, however, as many as 1,370 jobs had been cut or outsourced; according to the Company's original plans, the downsizing target set for this period had been 650 jobs. Over the fiscal year under review, the workforce was reduced by 900 across the Group as part of the program. At the same time, however, we recruited new staff and took on personnel as part of our corporate restructuring efforts.

Group Headcount by Function.



In the areas of Software Development and Professional Services we reduced the number of employees based in Western Europe and moved those positions to nearshoring locations in Poland and the Czech Republic. In addition, we cut the size of our workforce as part of adjustments to capacity levels and by outsourcing production capacity to external partners in Paderborn.

In China, after the formation of the joint venture Aisino Wincor (in which we have a minority shareholding), Wincor Nixdorf's former Chinese employees were re-employed by Aisino Wincor.

By contrast, the total number of Group employees was boosted by our takeover of the business activities of the Dutch cash-in-transit firm Brink's, our acquisition of a majority stake in the Belgian firm Projective, which specializes in the area of professional services, and the transfer of employees to Wincor Nixdorf from service station support companies in Germany and Poland. Additionally, there was an increase in the headcount at our subsidiary AEVI. The consolidated reporting entity, i.e., the companies making up the Wincor Nixdorf Group, increased once again with the addition of the Swiss firm CI Tech Sensors AG.

In Germany, the number of employees at the end of the year under review stood at 3,589 (2014/2015: 3,689). The number of staff employed outside Germany rose to 5,491 (2014/2015: 5,411). At the year-end, the proportion of staff employed in Germany stood at 40%, while the remaining 60% were employed outside Germany.

Preparing employees to meet the demands of the new structure. The future viability of the new personnel structure depends crucially on the effective integration of employees. To this end, during the fiscal year under review, the priority for our initial and ongoing training measures was on preparing employees for new tasks and roles.

Focus on training in Software and Services. As in the previous year we concentrated on training in the areas of Software and Services, with a particular focus on courses for our sales teams. We appointed a number of software engagement managers to boost the overall software expertise of the Company's sales force. Their role, in close consultation with account managers, will be to take responsibility for the entire software sales process.

We held a series of centrally organized product training courses to ensure that our staff have the required portfolio and product know-how. We also expanded our existing train-the-trainer concept to enhance the skills of our in-house trainers in areas such as Services.

Identifying and training the next generation of skilled workers. Wincor Nixdorf introduced a dedicated system of talent spotting and development many years ago. With the help of this ongoing process, we identified a number of employees with the skills needed for leadership positions in the new personnel structure.

We also arranged project and lateral management training courses for our senior specialist staff to equip them for projects and tasks spanning a range of business units.

In addition, we are expanding our university partnerships in order to attract new people with the right skills from outside the Group as well. In one such measure, we organized a two-year familiarization program for talented graduates leading to supply chain project management roles.

We offer purposeful work experience activities, internships, and research positions on subjects relevant to the Company to students from a variety of disciplines in order to familiarize them with actual business practice. Our WinCareer program is designed to retain the interest of those students identified as potential recruits. Both during and after their work experience or internship, it gives them a more detailed insight into our Company as well as opportunities to receive individual career support and remain in contact with us.

Combining work and learning. Alongside the comprehensive training packages available through our Learning Management System, we provide our staff with the tools they need to acquire new skills and knowledge independently. We favor modern approaches such as e-learning and blended learning. These combine traditional seminars and workshops at the training center with modern e-learning techniques and an increasing focus on video and online courses.

Research and Development.

Structure and focus; core data.

Research and development are crucially important to Wincor Nixdorf as a technology company. The new and upgraded systems and solutions that we supply have a significant impact on the future performance of our customers' processes. In turn, Wincor Nixdorf's own capacity to meet its customers' needs with a range of outstanding services is a key determinant of its future success and viability.

With this in mind, we set ourselves the goal of developing leading technologies and solutions – especially at the interface between our clients and their customers. We want our clients to prosper in this dynamic era of digitalization and to be in a position to break into new business areas and markets with the help of our innovative solutions. Our conceptual and technical support should also give them the means to leverage further process efficiency gains.

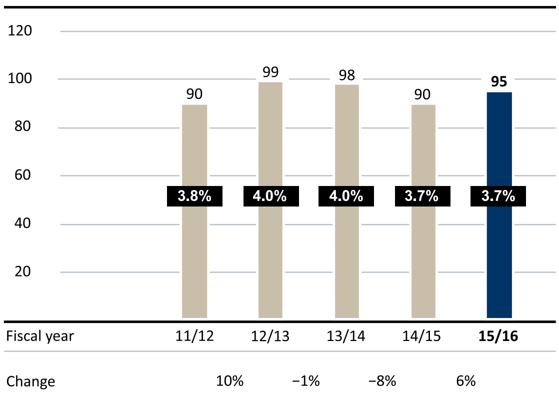
One of the Group's core fields of expertise is high-end automation technology based in large part on state-of-the-art hardware and software. Integrated solutions comprising systems, software, and IT services play a key role in the ongoing trend towards digitalization that characterizes the business operations of banks and retailers, above all with regard to new omni-channel concepts, branch and store transformation projects, the wide-ranging automation of cash processes, and the introduction and handling of new cashless payment systems based on cards and cellphones.

Regional concentration of R&D resources. At the end of the year under review, the Group R&D headcount stood at 740. The corresponding figure at the end of the previous fiscal year was 720. As part of our restructuring program, the number of R&D employees in Germany was reduced by 5 (down 1%) to 502. The total R&D headcount outside Germany rose by 25 (up +12 %) to 238.

We made further changes to our international R&D structure, involving a series of new measures to concentrate our resources at fewer locations. Our main goal here was to bring together our R&D staff for software development, support, and testing at dedicated sites in the Czech Republic and Poland as part of our nearshoring strategy. In addition to Germany, we have research and development facilities in Poland, the Czech Republic, Singapore, and Switzerland. The total number of active property rights was 1,783 (2012/2013: 1,678).

R&D expense increases slightly year on year. Research and development costs totaled €95 million (2014/2015: €90 million), which corresponds to a year-on-year increase in investment of €5 million or around 6%. The R&D ratio, including restructuring expenses and transaction expenses of €1.2 million in fiscal 2015/2016, stood at 3.7% – unchanged year on year (2014/2015: 3.7%).

Development of R&D expenditure with integrated R&D ratio. € million



Key aspects of development work.

Banking software focused on omni-channel integration and branch transformation. To ensure that customers are presented with the same positive experience whichever sales channel they decide to use, the information and quality of service provided by banks has to be consistent across all of those channels. In response to changing patterns of consumer behavior, banks are prioritizing investment in the integration of mobile technologies. Accordingly, our software development activities are also focused on this area. During the year under review, we made significant improvements to our **Netcentric Retail Banking Solution Suite**.

One example of the expansion of our Software Suite is the combination of self-service and smartphone functionality across all sales channels. Instead of needing a bank card, customers can make cash transactions using their smartphone and even prepare them in advance on the way to the ATM. We have also upgraded our software to allow for the integration of tablets that enable bank staff to act as mobile advisers with permanent access to relevant customer information.

Our newly enhanced **Software Suite** can be used as a **transactions platform** for processing financial transactions such as cashless payments and transfers. It can be connected to international networks and protocols through standard interfaces (APIs). These developments support the implementation of international rules such as the European Payment Services Directive (PSD2). In addition, we have been working hard to make all our Software Suite solutions available as cloud-based services.

Upgraded multivendor software used for designing touch- and multi-touch-based user interfaces. By developing new tools and applying standards we have reduced our project implementation costs and the corresponding time to market.

With a view to further increasing the availability of our installed systems, we invested a considerable amount in management software dedicated to the online monitoring and remote maintenance of self-service systems. In this context, we now evaluate operational information using big data management systems. The results can be used as the basis for continuous improvement.

We also refined our software solutions in the areas of cash management optimization, ATM security, and video monitoring.

Retail software: streamlined innovation cycles.

During the year under review, the main focus of our development work in the field of retail industry software was on enhancements that allow retailers to improve the service they provide to their own customers across all their sales channels. With requirements changing faster than ever, we have cut our innovation cycle by a substantial margin. Thanks to the introduction of a new platform concept, we can now integrate additional functions into our software much more rapidly. In turn, this means that retailers can implement innovative strategies more quickly at the point of sale.

We also invested in development work to refine our standardized, web technology-based architecture and created a new application programming interface (API) so that our customers can quickly and easily integrate additional touchpoints such as tablets, smartphones, and social media.

Key product partnership with Intershop. The aim of this partnership is to offer a fully integrated omni-channel solution. It is now common practice in the retail world to order or reserve goods online and then pick them up from the store. It is equally common to find customers ordering items online while they are actually in the branch outlet. To reproduce processes such as these in our systems, we pooled the expertise of both companies and integrated their respective solutions.

For the first time, we now offer a cloud-based POS application through our business partners and intend to make further improvements to the software over the next few years.

Investing in cashless payment software. In response to rapid growth in the global market for cashless payment solutions we constantly strive to extend our portfolio of solutions in this field. In the year under review we invested primarily in the development of new applications for our B-to-B software marketplace.

Banking hardware: new services in support of branch transformation.

Branch transformation projects involve redefining the role of the branch as well as its size and technical resources. This process creates a variety of branch formats, each with its own requirements of the bank's self-service systems. In response, we introduced a number of enhancements to our systems so that they can make various services and functions available on a self-service basis and support the branch's new customer-driven role.

For the target group comprising digital natives we developed an ATM that allows end users to withdraw cash by smartphone or by means of an NFC card. The transaction works without a card reader, and the PIN is entered using the touchscreen. The system won a Red Dot Design Award from Germany's NRW Design Center.

Security is a very important element of any cash handling solution. In order to tighten up even further on security, we made a number of improvements to our system technologies and components, e.g., encryption methods and our own anti-skimming solution. We also developed an anti-theft system for use when transporting large amounts of cash in ATM cassettes. The notes inside the cassette are stained with indelible security ink if an attempt is made to steal or break open the cassette using force.

For mail service operators we developed a modular kiosk that integrates a wide range of services into a self-service system that can be rapidly configured to comply with the diverse requirements of international mail organizations while also meeting international standards in terms of ergonomics.

We designed an automated cash handling solution for casinos that pays out winnings on presentation of barcode tickets. The system is equipped with an ambient lighting mechanism that allows the device to be adapted to its immediate surroundings. This project also involved providing the corresponding software.

Retail hardware: new systems for multifaceted media concepts.

During the year under review, the ongoing development of our Hardware portfolio for retailers focused on improvements in user friendliness and adaptation to a huge variety of retail formats.

For example, we made a number of improvements to our self-checkout systems in terms of design and ease of component integration, e.g., to facilitate the automation of cash handling. In addition, these systems can now be switched very easily between operated and self-service mode.

We launched a series of new checkout systems equipped with automated cash handling components that can be easily integrated into checkout environments.

We now offer a mobile checkout solution for retailers who want to serve their customers at any point in the store. Tablets can be integrated into the branch's existing IT infrastructure through the software platform TP.net and can provide every single checkout function. Store employees can use their tablets to find additional product and price information. The solution is aimed primarily at specialist retail outlets where there is greater demand for in-store advice.

We also added a low-cost model to our family of kiosk solutions.

Procurement, Production, and Logistics.

Focus on end stages of production and supply chain optimization. In the year under review we implemented various measures to fundamentally realign our hardware strategy in a series of projects. This process began in the previous fiscal year and involves adapting our manufacturing capacity to the level of demand. In future we can focus on the end stages of system production. We have reduced the degree of vertical integration at Wincor Nixdorf by further expanding the group of suppliers based in countries with more favorable cost structures and by outsourcing production processes.

In the period under review, we introduced a comprehensive package of measures designed to push ahead with the transformation of our production network, increase flexibility, and exploit favorable effects relating to our cost structures. A summary of these measures is given below.

- We sold our tool production arm, which had around 70 employees, to Autmaring GmbH in Paderborn. Autmaring will maintain tool production at the site. It has taken over the entire workforce within this area from Wincor Nixdorf and is now a long-term strategic supplier.

- We set up a joint venture with Aisino for the Chinese market. The Chinese company specializes in IT security solutions, cashless payment terminals, and chip cards for financial transactions. Trading under the name Aisino Wincor, the joint venture develops, produces, and markets IT solutions for Chinese banks and retailers. Our production site in Shanghai is one component of the joint venture, although it will continue to produce for Wincor Nixdorf.

- In fiscal 2015/2016, we also established a cooperation covering the final stages of system production for the Brazilian market.

- Turning to the Indian market, here too we set up a new cooperation with our long-established partner AGS Transact Technologies covering the joint development and local end production of ATMs. Wincor Nixdorf will supply some of the core system components.

- In the area of sheet metal fabrication we initiated a project to adapt our in-house capacity and have now begun to source sheet metal components from suppliers in Eastern Europe.

Business unit with overall responsibility for hardware supplies. Our Systems business unit was established in fiscal 2014/15. In the year under review it took over full end-to-end responsibility for hardware supplies. Country-based and client-specific modifications of standard systems are now carried out where the systems are actually produced, rather than at configuration and distribution centers in the various countries as was previously the case. To this end, we strengthened our capacity to implement client-specific modifications at our site in Paderborn and have now integrated an external logistics provider into our distribution processes.

Optimized supplier network. As part of the strategy to reduce the degree of vertical integration at Wincor Nixdorf, in fiscal 2015/2016 we concentrated on measures to further optimize our supplier network by procuring more of the inputs we need from suppliers in countries with more favorable cost structures. Against this background, we conducted a thorough review of all our purchasing activities and terms in order to generate major savings. Additionally, negotiations with our main suppliers helped us to achieve the planned reduction in our costs.

Quality.

Embracing quality at every level. Wincor Nixdorf ensures maximum availability by offering customers solutions that are extremely failsafe. We believe in product quality and an outstanding range of services, even where solutions are highly complex.

Our approach to quality is holistic, starting with the development of hardware, software, and services, and extending to production, followed by the implementation and operation of solutions at client companies. That means taking account of all influencing factors in our assessment of quality.

Our sites, development hubs, and production facilities form a global quality network in which all Group undertakings aimed at achieving quality are coordinated. As part of the relocation of production capacities to business partners, which commenced in the previous year, we continued to work with those firms to harmonize processes and establish common standards. The aim is to ensure the highest possible levels of quality across the joint production network for the long term.

REPORT ON ECONOMIC POSITION.

Macroeconomic and Industry Environment.

General Economic Conditions.

Further slowdown in economic growth over reporting period. With regard to the **global economy**, the pattern of weak economic growth experienced in the previous year was repeated in fiscal 2015/2016. Alongside political uncertainties and increasing risks on the financial markets, it was above all the problems faced by developing and emerging market countries that led various economic observers to scale back their expectations over the year. The International Monetary Fund (IMF) downgraded its growth forecast by 0.2 percentage points to 3.4% in January and by a further 0.2 percentage points to 3.2% in April. In its most recently updated October forecast, the IMF anticipates growth of 3.1%.

China, Russia, and Brazil, once regarded as beacons of hope and drivers of growth, increasingly emerged as problem countries for the global economy. With China undergoing a period of upheaval, Russia remained mired in recession, and Brazil teetered on the brink of recession. Nevertheless, the global economy as a whole continued to expand, albeit with a further deceleration in the rate of growth.

From spring onwards, the more cautious projections issued by the IMF were also based in part on concern about the **United Kingdom**'s impending exit from the European Union.

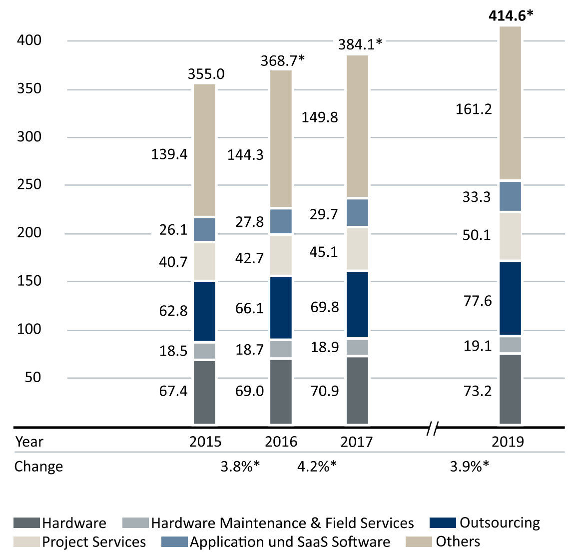
In April, the IMF was still anticipating stable growth of 2.4% in the **USA**. At this point, the organization's experts were already anxiously monitoring the political debate in the lead-up to the presidential elections, including suggestions that global and regional trade deals might be abandoned. As the debate progressed, the IMF observed that the focus was turning inwards with a risk of protectionism. This was exacerbated over the summer by weaker than anticipated statistics that led the IMF to scale back its 2016 forecast by a substantial margin to 1.6%.

In spring 2016, the IMF forecast moderate economic growth of 1.5% in 2016 for both the **eurozone** as a whole and for **Germany**, with growth prospects in Europe hampered by continuing high unemployment and a reluctance to invest. Subsequently, however, in response to a generally more robust performance in the region, the IMF increased its forecast for both the eurozone and Germany by 0.2 percentage points to 1.7%.

Industry Environment.

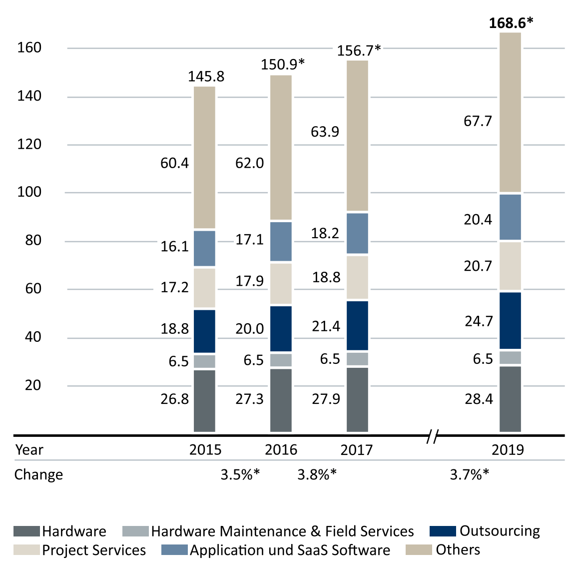
IT expenditure shows further increase in banking and retail sectors. Both banks and retailers invested more heavily in information technology during the period under review. This observation is underpinned by a study published by the market research firm Pierre Audoin Consultants (PAC) in August 2016. According to the data published by PAC, global expenditure within the banking sector rose by 3.8% in the course of 2015 to 2016, while the corresponding year-on-year increase for retailers was 3.5%. Investment spending by banks rose to €368.7 billion in absolute terms, while expenditure by retailers grew to €150.9 billion. In both industries, growth rates within the category of Software and Professional Services were significantly higher than those in the area of Hardware.

Global IT Expenditure in the Banking Segment. € billion



* Forecast. Source: PAC, 2016

Global IT Expenditure in the Retail Segment. € billion



* Forecast. Source: PAC, 2016

Banks: Change and investment driven by need for operational excellence and interface optimization. Despite the current low interest rate environment around the world, the profitability of the global retail banking industry has improved compared with 2015. This was the conclusion reached by the Boston Consulting Group (BCG) following an assessment of its global banking pools, which are based on data from 2,100 banks in countries all over the world. These higher margins achieved by the industry are supported by consistently lower risk costs. However, the regional picture is very varied.

BCG's assessment shows that banks need above all to find solutions to concerns about the potential erosion of their customer relations in light of the trend towards digitalization, the emergence of new competitors within the industry, and the growing expectations of customers in terms of the service they receive.

Europe's retail banks continue to recover, albeit at only a moderate pace. Meanwhile, pressure on costs remains intense as a result of low interest rates, higher capital requirements, and regulation. These conclusions are based on the 2016 Banking Radar study produced by A.T. Kearney. One consequence of this situation is the ongoing contraction of branch networks. The number of branches is falling by around 2% per year. Overall, it has fallen by roughly 13% since 2008, and continues to decline.

The study highlights marked differences in regional performance, including among European banks. A.T. Kearney concludes that banks need to keep working on their cost position and that this would go about half way to delivering the required improvement in their overall performance. At the same time they need to increase the average income generated per customer.

A.T. Kearney recommends three basic strategies for European banks. The first of these is to transform their business model for the digital era, a challenge that involves maintaining a strict focus on innovation, breaking down silo mentalities, and cooperating with FinTechs and other external providers to prevent any further erosion in customer relations. The second step is to transform, simplify, and harmonise the structure of all banking processes at the interface with customers. Finally, the third strategy is to work towards an operating model that reflects best-in-class cost efficiency. Taken together, these measures would create a strong governance framework and provide an end-to-end perspective on actual costs. Crucially, in the view of A.T. Kearney, the banks also need to drive forward the digitalization of front-office systems into their middle- and back-office systems, and to centralize or nearshore/offshore (and where appropriate outsource) purely operational processes. Finally, the report stresses the vital importance of greater cooperation between retail banks and IT providers in light of the growing need to simplify IT systems and the challenge of dealing with legacy infrastructures and system integration.

Retailers: Linking online and offline sales channels. International retailers face two key trends: the fact that today's consumers have permanent access to the internet through mobile devices, and the need to serve those customers across every potential sales channel. In a study entitled The Internationalization of Retail, Planet Retail expects retailers to focus on measures to link their online and offline services in order to coordinate the customer's physical and digital experience more effectively.

One example of the way in which physical and digital channels can be interwoven is the Click & Connect service. Consumers order goods from a retailer online and then pick them up from the store. This method also increases the frequency of customer visits to the branch.

Specialist retailers are increasingly turning to mobile tablet-based solutions that allow in-store sales assistants to retrieve information and offer comprehensive advice to customers. At the same time, the devices can be used as a mobile checkout.

Big data solutions and mobile technologies are emerging as key sales tools, above all in terms of the personalization of services.

Within the global retail market, regional players are currently achieving dynamic growth, while global retailers continue to drive ahead with their expansion strategies.

According to Planet Retail, the fastest-growing retail formats are discount and convenience stores.

Course of Business.

Business Performance of the Group.

Overall assessment of business performance. Wincor Nixdorf can look back on what was one of the best fiscal years in its history. This was the result of major progress made by the Group in its efforts to adapt its business to changing market conditions. The Delta program of transformation, which entered its second year of execution in fiscal 2015/2016, moved forward with great success. The Group's improved competitive position achieved on the back of these activities had a particular impact on its Hardware business, which contributed sizeable growth in net sales and operating profit.

Comparison of Actual and Forecast Course of Business.

Net sales and operating profit exceed guidance by substantial margins. Against the backdrop of continuing realignment and restructuring efforts, Wincor Nixdorf looked ahead to fiscal 2015/2016 with confidence, the ambition being to achieve a turnaround in its business performance. While net sales in fiscal 2014/2015 had fallen just short of the figure recorded in the preceding year (2014/2015: €2,427 million), the outlook for the 2015/2016 financial year pointed to slight growth. EBITA before non-recurring items was expected to expand to €150 million (2014/2015: €102 million) and EBITA after non-recurring items (excluding transaction expenses) to

€110 million (2014/2015: €22 million). Non-recurring items (costs attributable to the restructuring program) were initially estimated at €40 million. Ultimately, we managed to exceed by a significant margin our guidance for net sales and EBITA issued at the end of fiscal 2014/2015.

Our outlook was revised upward on several occasions over the course of the financial year. As part of our most recent guidance, issued with the interim report for the first nine months of fiscal 2015/2016, we projected growth in net sales of around 6% for the annual period and operating profit before non-recurring items (excluding transaction expenses) of €190 million in total.

Supported by determined efforts to drive our transformation activities forward, we managed to rein back costs, particularly in our Hardware and Services business; in doing so, we also improved our operating profit. In addition, positive one-time effects relating to M&A activities more than offset lower than budgeted one-off expenses for restructuring measures associated with the Delta program.

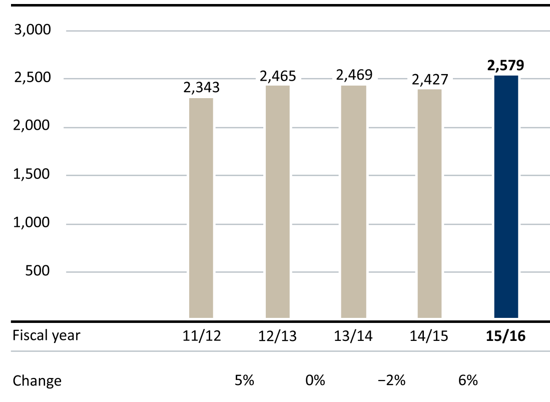
The Delta program also took effect much faster than originally projected as we moved forward in the fiscal year; this had a positive impact on operating profit. What is more, net sales generated by Wincor Nixdorf were boosted in particular by a strong Hardware business within the retail segment.

At the end of fiscal 2015/2016 net sales stood at €2,579 million (2014/2015: €2,427 million), which corresponds to growth of 6%. Operating profit before non-recurring items (excluding transaction expenses) amounted to €194 million (2014/2015: €102 million).

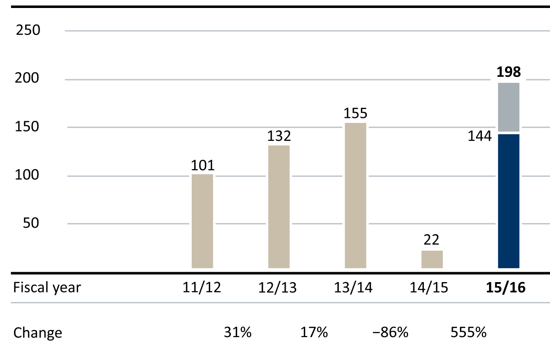
Operating profit after non-recurring items (excluding transaction expenses of €54 million) totaled €198 million in fiscal 2015/2016 (2014/2015: €22 million). This includes positive one-time effects of €4 million attributable to the Delta program described in the "Objectives and Strategy" section; they are the net result of €20 million in costs associated with the restructuring program and €24 million in positive income contributions from M&A activities.

After non-recurring items and transaction costs, operating profit stood at €144 million (2014/2015: €22 million).

Net Sales History. € million



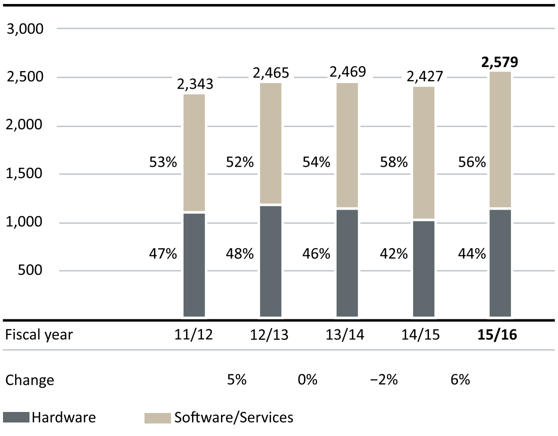
EBITA History. € million



Net Sales by Business Stream.

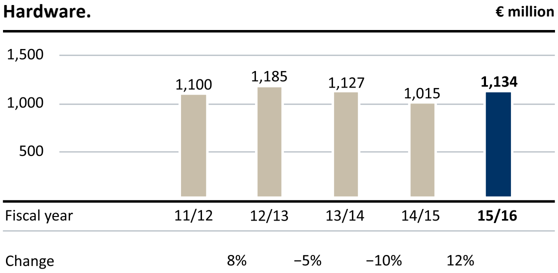
Hardware as growth driver, further expansion in Software/Services. Hardware business developed favorably in the fiscal year just ended, so much so that it proved to be the principal growth driver for the Group. Software/Services, by contrast, expanded only slightly over the course of the financial year. As a result of these trends, the share of Software/Services business in total net sales for the Group fell for the first time in several years – down to 56% (2014/2015: 58%).

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



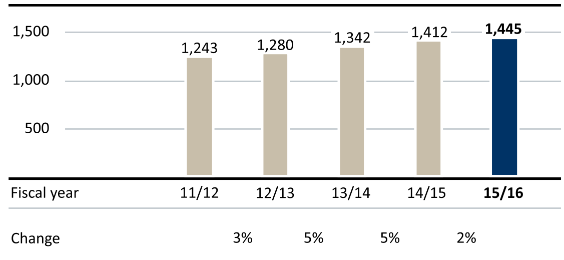
At €1,134 million, consolidated net sales attributable to **Hardware** were up 12% on the previous year (2014/2015: €1,015 million). This significant year-on-year increase was due primarily to several large-scale orders within the Retail segment. The emphasis in this area was on business relating to EPOS systems. The Banking segment also saw a year-on-year increase in shipments. Business expansion within the area of high-end systems proved encouraging in both segments, the focus being on cash/check deposit technology in the Banking segment and self-checkout as well as retail cash management systems in the Retail segment. As a result of this performance, the contribution made by the Hardware business to total consolidated net sales grew to 44% (2014/2015: 42%).

Hardware. € million



Net sales from **Software/Services** rose by 2% to €1,445 million in the fiscal year just ended (2014/2015: €1,412 million). In this context, business relating to Services, particularly due to the forward momentum of Managed Services and Outsourcing, developed better than that within the area of Software/Professional Services.

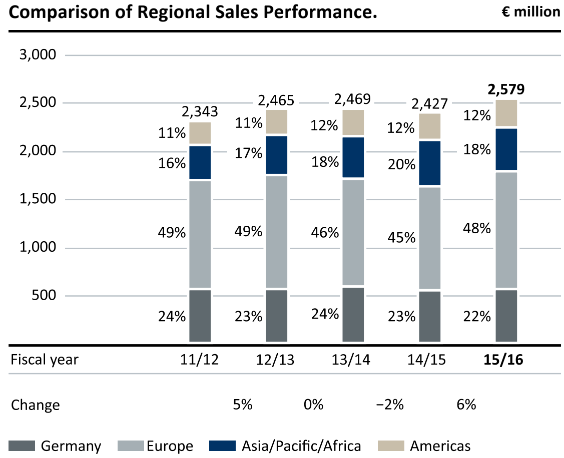
Software/Services. € million



Net Sales by Region.

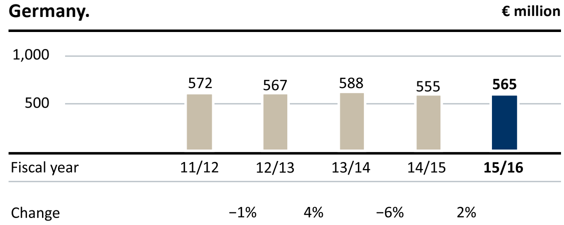
Growth spanning all regions, with Asia being held back by China. With the exception of Asia, business developed well in all regions. Growth at Wincor Nixdorf was driven primarily by the industrialized nations over the course of the fiscal year. The emerging markets performed at a level comparable to the prior-year figure, although this region's positive performance was dampened in particular by China.

Comparison of Regional Sales Performance. € million



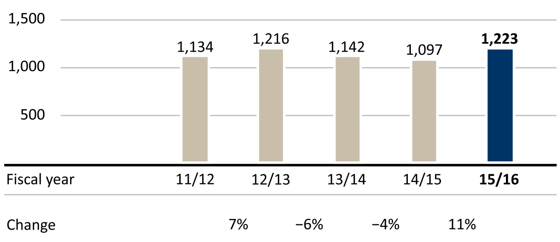
In **Germany**, net sales rose by 2% to €565 million (2014/2015: €555 million). This was fueled by growth in both the Banking and Retail segments. On this basis, Germany's share of the Group's total net sales stood at 22% (2014/2015: 23%).

Germany. € million



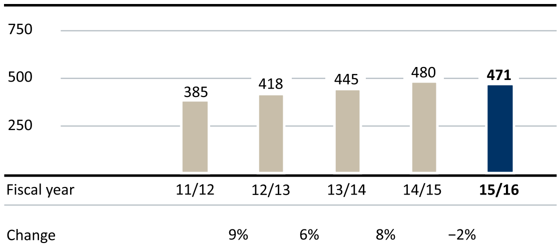
In **Europe** (excluding Germany), net sales rose by 11% year on year to €1,223 million (2014/2015: €1,097 million). This performance was driven to a large extent by buoyant Retail business, while net sales in the Banking segment were just slightly higher than in the previous year. As a result, Europe's (excluding Germany) share of the Group's total net sales increased to 48% (2014/2015: 45%).

Europe. € million



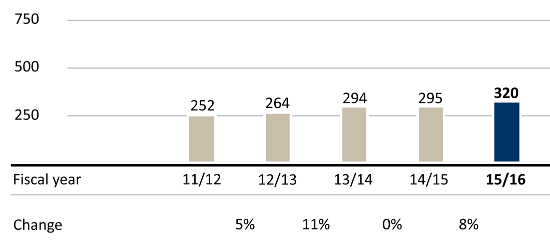
The **Asia/Pacific/Africa** region saw net sales fall by 2% in total to €471 million (2014/2015: €480 million). This was attributable primarily to a marked downturn in China, the world's most important market for banking systems. Here, business by Western suppliers was again severely impeded during the period under review. The overall contribution by Asia/Pacific/Africa to the Group's total net sales fell to 18% (2014/2015: 20%).

Asia/Pacific/Africa. € million



As a region, the **Americas** recorded growth of 8%, taking net sales to €320 million (2014/2015: €295 million). While North America produced a substantial upturn in business, sales in some of the countries in Latin America were severely impacted by deteriorating economic conditions. Thus, the proportion of Group net sales generated in the Americas was unchanged year on year at 12% (2014/2015: 12%).

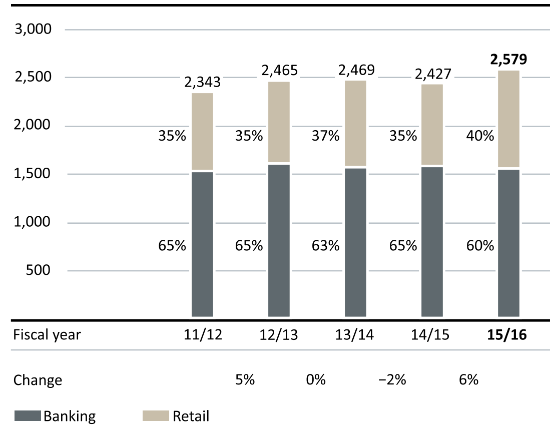
Americas. € million



Business Performance by Segment.

Segments develop along different lines. The Banking segment recorded a slight downturn in net sales in the fiscal year just ended. By contrast, the Retail segment generated significant forward momentum. Having felt the impact of sluggish investment spending on the part of major retailers in fiscal 2014/2015, particularly in Europe, the Retail segment generated sizeable growth within this specific area of business during the 2015/2016 financial year. The Banking segment accounted for 60% of total net sales (2014/2015: 65%), while the Retail segment contributed 40% (2014/2015: 35%) to total net sales.

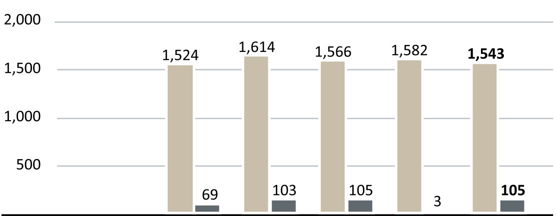
Net Sales Split: Banking and Retail. € million



Banking Segment Performance.

Significant upturn in EBITA with slight dip in net sales. Net sales for the Banking segment, which also includes business with postal companies, totaled €1,543 million in the year under review (2014/2015: €1,582 million). This corresponds to a decline of 2%. By contrast, EBITA rose to €105 million in fiscal 2015/2016 (2014/2015: €3 million). This figure includes transaction expenses of €34 million attributable to the business combination with Diebold Inc. As a result, the EBITA margin rose to 6.8% (2014/2015: 0.2%). EBITA after non-recurring items associated with the Delta program, excluding transaction expenses, stood at €139 million (2014/2015: €3 million). Correspondingly, the EBITA margin after non-recurring items increased to 9.0% (2014/2015: 0.2%). Banking segment EBITA before non-recurring items totaled €140 million (2014/2015: €65 million). Thus, the EBITA margin before non-recurring items rose to 9.1% (2014/2015: 4.1%).

Net Sales and EBITA History: Banking. **€ million**



Fiscal year	11/12	12/13	13/14	14/15	**15/16**
Net sales change		6%	−3%	1%	−2%
EBITA change		49%	2%	−97%	↑
EBITA margin	4.5%	6.4%	6.7%	0.2%	6.8%

Net sales EBITA

Segment performance by business stream. Hardware business was driven mainly by forward momentum within Germany and other industrialized countries in Europe, while unfavorable trends in the emerging markets exerted downward pressure on net sales as a whole. In the fiscal year just ended, the Company managed to increase the proportion of higher-quality, multifunctional systems.

The Banking segment saw a decline in the overall volume of business associated with **Software/Services**. Business relating to Software and Professional Services was down on the prior-year figure; net sales from Product-related Services contracted slightly, primarily as service agreements in North America considered less profitable for Wincor Nixdorf were transferred to third parties as part of the Delta program.

Segment performance by region. In **Germany** net sales were up marginally on the previous year's figure.

We also recorded slight growth in net sales in **Europe** (excluding Germany), although there was significant divergence between the respective countries as regards business performance.

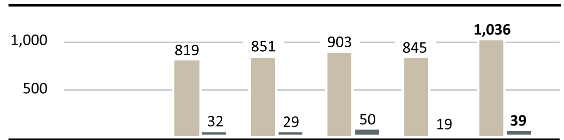
Our activities within the Banking markets of **Asia/Pacific/Africa** contracted significantly in the period under review. Business within the key market of China was adversely affected by restrictions to market entry; this prompted a marked downturn in net sales. Net sales generated in the Middle East and Africa were up substantially on the prior-year figure.

In the region encompassing the **Americas** net sales were on a par with the figure recorded in the previous fiscal year. In North America, we completed a major rollout of systems featuring cash/check deposit technology in the period under review. Additionally, we were successful in continuing extensive Software and Professional Services projects designed to help major U.S. banks in their efforts to drive forward branch transformation and digitalization. Business with Product-related Services declined in North America, as we discontinued some service agreements as part of the Delta program. Net sales in the crisis-stricken markets of Latin America were down substantially.

Retail Segment Performance.

Significant growth in net sales and EBITA. Net sales in the Retail segment, which includes our international service station business, rose by a substantial 23% in the year under review to €1,036 million (2014/2015: €845 million). Business in this area benefited from investments by major retailers in Europe in particular, while other regions also generated substantial growth. Correspondingly, EBITA rose to €39 million in fiscal 2015/2016 (2014/2015: €19 million). The impact on the Retail segment of transaction expenses attributable to the business combination with Diebold Inc. amounted to €20 million. Overall, the EBITA margin rose to 3.8% (2014/2015: 2.2%). EBITA after non-recurring items and excluding transaction expenses stood at €59 million (2014/2015: €19 million). Correspondingly, the EBITA margin after non-recurring items rose to 5.7% (2014/2015: 2.2%). EBITA before non-recurring items totaled €54 million (2014/2015: €37 million). The EBITA margin recorded within the Retail segment, before non-recurring items, rose to 5.2% (2014/2015: 4.4%).

Net Sales and EBITA History: Retail. **€ million**



Fiscal year	11/12	12/13	13/14	14/15	**15/16**
Net sales change		4%	6%	−6%	23%
EBITA change		−9%	72%	−62%	105%
EBITA margin	3.9%	3.4%	5.5%	2.2%	3.8%

Net sales EBITA

Segment performance by business stream. Hardware business expanded substantially year on year. This was attributable to buoyant demand for POS systems as well as more expansive business relating to systems used in store automation.

Software/Services also grew significantly in the period under review, fueled mainly by business from customers undergoing global expansion.

Segment performance by region. In **Germany**, business relating to retail companies grew sharply in fiscal 2015/2016. We expanded POS system sales and also performed well in the field of automation solutions. Growth was also underpinned by business in the area of Software/Services.

We recorded significant growth in **Europe** (excluding Germany), supported by solid business in the area of Hardware as well as Software/Services.

Our Retail activities in **Asia/Pacific/Africa** expanded in the period under review.

Net sales generated in the **Americas** were up substantially. This was due mainly to the fact that we supported international retailers in their efforts to expand into North America, supplying both hardware and software/services. Furthermore, we saw strong growth in our business directed at service station operators. Business in Latin America was comparable to that seen in the previous year.

Performance, Assets, and Financial Position.

Performance.

In fiscal 2015/2016, Wincor Nixdorf AG's profit for the period after non-recurring items (income of €4 million) and transaction expenses relating to the business combination with Diebold Inc. (expenses of €54 million) rose by €94 million to €102 million (2014/2015: €8 million). However, it should be noted that the figure for the previous fiscal year contained expenses totaling €80 million for the restructuring program launched in 2014/2015.

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

	2015/2016	2014/2015
Profit for the period	**102**	**8**
+ Income taxes	37	7
+ Financial result (finance cost - finance income)	5	7
+ Transaction expenses relating to business combination with Diebold Inc.	54	0
EBITA after expenses from non-recurring items*	**198**	**22**
+ Depreciation/amortization and write-down of industrial rights, licenses, and property, plant, and equipment	56	52
+ Write-down of reworkable service parts	6	2
EBITDA after expenses from non-recurring items*	**260**	**76**

* Before transaction expenses of €54 million in the current fiscal year relating to the business combination with Diebold Inc.

The Group's net sales totaled €2,579 million in the period under review, up 6% on the prior-year figure (2014/2015: €2,427 million). While revenue from sales in the Banking segment fell by 2% to €1,543 million (2014/2015: €1,582 million), net sales in the Retail segment rose by 23% to €1,036 million (2014/2015: €845 million). Expressed in local currencies, net sales were up by a notional 9% in the period under review.

Operating profit (EBITA) was influenced by non-recurring items in fiscal 2015/2016. These non-recurring items included two components:

1) Expenses from the Delta restructuring program launched in the second half of fiscal 2014/2015. These items consisted primarily of staff costs as well as consulting fees.

2) Other one-time effects from the Delta program relating to M&A activities, which are recognized as other operating income and had a positive impact on operating profit (EBITA).

The prior-year figures have been presented on a comparable basis by accounting for expenses incurred as a result of the Delta restructuring program in fiscal 2014/2015. Beyond this, there were no further non-recurring items in 2014/2015.

The gross margin on net sales, after non-recurring expenses, was €615 million (2014/2015: €434 million); expenses attributable to one-off items amounted to €14 million. In fiscal 2015/2016, the gross margin on net sales before non-recurring expenses improved by 4.3 percentage points year on year to 24.4% (2014/2015: 20.1%).

Research and development costs, which contained no significant expenses from non-recurring items in the fiscal year under review, amounted to €94 million (2014/2015: €90 million), an increase of €4 million, or 4%, on the previous year. The R&D ratio stood at 3.6% (2014/2015: 3.7%). Research and development costs before non-recurring expenses rose by 9%, or €8 million, to €94 million (2014/2015: €86 million). The R&D ratio stood at 3.6% (2014/2015: 3.5%).

After expenses from non-recurring items, the Group's selling, general, and administration expenses (including other operating income as well as the result from investments accounted for by applying the equity method) came to €323 million; this included income of €18 million from non-recurring items. The total figure for selling, general, and administration expenses before non-recurring items stood at €341 million (2014/2015: €301 million), an increase of €40 million or 13%. As a percentage of total net sales, the selling, general, and administration expense ratio before non-recurring items stood at 13.2% (2014/2015: 12.4%).

In fiscal 2015/2016, operating profit (EBITA) totaled €144 million (2014/2015: €22 million), including transaction expenses of €54 million attributable to the business combination with Diebold Inc. Accordingly, excluding these transaction expenses, operating profit (EBITA) after income from non-recurring items related to the Delta restructuring program amounted to €198 million (2014/2015: €22 million). This includes income of €4 million from non-recurring items. Therefore, EBITA before income from non-recurring items and transaction costs amounted to €194 million (2014/2015: €102 million); the EBITA margin before income from non-recurring items increased by 3.3 percentage points to 7.5% (2014/2015: 4.2%).

Reconciliation EBITA 2015/2016*. € million

	before one-time effects	one-time effects	after one-time effects
Net sales	2,579		2,579
Cost of sales	–1,950	–14	–1,964
Gross profit on sales	**629**	**–14**	**615**
Research and development costs	–94	0	–94
Selling, general, and administration expenses	–341	18	–323
EBITA*	**194**	**4**	**198**

* Before transaction expenses of €54 million in the current fiscal year relating to the business combination with Diebold Inc.

Including income from non-recurring items, EBITDA rose to €260 million (2014/2015: €76 million). This represents an increase of €184 million or 242%.

At -€5 million, the Group's financial result improved slightly in the period under review (2014/2015: -€7 million).

Earnings before taxes ended the fiscal year €124 million higher at €139 million (2014/2015: €15 million). The Group's effective tax rate was 27% (2014/2015: 48%).

Assets.

At the end of fiscal 2015/2015, the Group's balance sheet total stood at €1,675 million, up €168 million on the corresponding figure for the previous year (2014/2015: €1,507 million).

Assets. € million

	Sept. 30, 2016	Sept. 30, 2015
Assets		
Intangible assets	375	354
Property, plant, and equipment and financial assets	129	124
Non-current receivables and other assets	97	97
Non-current assets	**601**	**575**
Inventories	340	327
Current receivables and other assets	649	567
Cash and cash equivalents	85	38
Current assets	**1,074**	**932**
Total assets	**1,675**	**1,507**
Equity and liabilities		
Equity (incl. non-controlling interests)	**441**	**391**
Pension accruals and other accruals	105	101
Financial liabilities	2	66
Financial liabilities to affiliated companies	58	0
Other non-current liabilities	72	30
Non-current liabilities	**237**	**197**
Other accruals	176	171
Financial liabilities	76	112
Trade payables	344	338
Other current liabilities	401	298
Current liabilities	**997**	**919**
Total equity and liabilities	**1,675**	**1,507**

At €375 million (2014/2015: €354 million), the carrying amount of intangible assets was up €21 million on the prior-year figure. This increase was mainly due to €14 million in goodwill attributable to acquisitions (2014/2015: €0 million).

The carrying amount of property, plant, and equipment was €4 million lower at €117 million (2014/2015: €121 million). While investments in property, plant, and equipment amounted to €37 million (2014/2015: €39 million), depreciation in this area totaled €46 million. The main focus of capital expenditure was on IT equipment and specialist tools. Financial assets were recognized at €12 million, a year-on-year increase of €9 million (2014/2015: €3 million) that was mainly due to a rise by €7 million to €9 million in the carrying amounts of investments accounted for using the equity method (2014/2015: €2 million).

The carrying amount of non-current receivables and other assets stood at €97 million (2014/2015: €97 million).

Turning to current assets, inventories increased by €13 million year on year to €340 million (2014/2015: €327 million). Current receivables and other assets finished the year €82 million higher at €649 million (2014/2015: €567 million). The main factor here was an increase of €58 million to €65 million in receivables from companies in which Wincor Nixdorf AG holds a long-term equity investment (2014/2015: €7 million); this was due to the first-time inclusion of receivables from companies that are no longer fully consolidated. The year-end accounts also include other receivables of €37 million from the disposal of companies that were previously fully consolidated. Cash and cash equivalents increased by €47 million to €85 million (2014/2015: €38 million), primarily as a result of cash inflows from the disposal of interests in Group companies.

Equity, including non-controlling interests, rose by €50 million to €441 million in total (2014/2015: €391 million). One element of this increase was profit for the period of €101 million (2014/2015: €8 million), although the total figure was diluted by €37 million (2014/2015: €0 million) after factoring in equity instruments linked to the disposal and acquisition of interests in Group companies. Further details of equity movements are presented in the table entitled Changes in Group Equity.

Non-current liabilities rose by €40 million to €237 million (2014/2015: €197 million) in the period under review. Non-current financial liabilities ended the year down €64 million at €2 million (2014/2015: €66 million) due to the classification – for the first time – of a loan from the European Investment Bank as current. Additionally, liabilities in connection with a revolving credit line of €58 million (2014/2015: €0 million) were recognized for the first time. By contrast, other non-current liabilities rose by €42 million to €72 million (2014/2015: €30 million), mainly due to the first-time recognition of equity instruments linked to the disposal and acquisition of interests in Group companies.

On August 8, 2016, under the terms of the business combination with Diebold Inc., an agreement was concluded with Diebold Self-Service Solutions S.A.R.L. (hereinafter referred to as "Diebold S.A.R.L.") covering a revolving credit line of €300 million up to August 8, 2021. This loan replaces the revolving credit facility of €300 million with banks that was cancelled by the joint borrowers Wincor Nixdorf AG and WINCOR NIXDORF International GmbH at the end of August 2016.

Previously, on December 18, 2013, Wincor Nixdorf AG and WINCOR NIXDORF International GmbH had taken out an additional loan of €100,000k from the European Investment Bank. As regards this loan, repayments totaling €20,000k were made during the fiscal year under review. The amount still outstanding at the year-end was €65,000k. At the end of the period under review, bank liabilities of €65,000k had a residual term of up to one year, since it is expected that the EIB loan will be repaid before expiry in spring 2017.

Current liabilities rose by €78 million to €997 million (2014/2015: €919 million). In this context, other current accruals (i.e., provisions) rose by €5 million to €176 million (2014/2015: €171 million), primarily as a result of higher accruals related to personnel issues. From the present perspective, the accruals recognized by the Group sufficiently cover all of its probable obligations. Current financial liabilities fell by €36 million to €76 million (2014/2015: €112 million), primarily due to the repayment of bank overdrafts.

By contrast, other current liabilities rose by €103 million year on year to €401 million (2014/2015: €298 million). This was attributable mainly to the increase in other liabilities by €77 million to €312 million (2014/2015: €235 million) on account of higher employee bonuses in connection with profit-share programs as well as obligations from stock option plans recognized as liabilities for the first time. In the past, all stock option plans had been classified and accounted for as share-based payment transactions. Due to the implementation of provisions set out in the business combination agreement with Diebold Inc. – after the minimum requirements of the offer made by Diebold Inc. to Wincor Nixdorf AG shareholders had been met in the third quarter of fiscal 2015/2016 –, the item in question was reclassified as an obligation to settle in cash.

Financial Position.

After funds allocated to the Contractual Trust Arrangement (CTA), leading to a cash outflow of €30 million (2014/2015: €0 million), cash flow from operating activities in fiscal 2015/2016 was up €8 million on the prior-year figure to reach €105 million (2014/2015: €97 million).

Cash flow. € million

	2015/2016	2014/2015
EBITDA	**206**	**76**
Cash flow from operating activities	105	97
Cash flow from investing activities	–41	–55
Cash flow from financing activities	65	–72
Change in liquidity	**129**	**–30**
Change in cash and cash equivalents from exchange rate movements	–1	0
Cash and cash equivalents at beginning of period	–54	–24
Cash and cash equivalents at end of period	**74**	**–54**

Cash flow from operating activities totaled €105 million in the period under review (2014/2015: €97 million). In this context, EBITDA after non-recurring items and transaction expenses in connection with the Diebold Inc. business combination, as the basis for operating cash flow calculations, was substantially higher year on year at €206 million (2014/2015: €76 million). Income tax payments reduced cash by €37 million (2014/2015: €36 million). The reduction in working capital, adjusted for the effects of acquisitions, resulted in a cash inflow of €11 million (2014/2015: €46 million). The intra-Group elimination of gains/losses from the disposal of formerly consolidated companies in China led to a reduction of €14 million in operating cash flow (2014/2015: €0 million). Other non-cash items and the change in accruals produced a cash outflow of €59 million (2014/2015: cash inflow of €35 million); one of the main factors here was actuarial losses of €36 million from the valuation of pension accruals (2014/2015: cash outflow of €6 million).

At €41 million, net cash used in investing activities over the reporting period was down by a substantial margin (2014/2015: €55 million). This decline is primarily attributable to net cash inflows of €16 million (after deducting cash, cash equivalents, and bank liabilities sold) from the disposal of the Group's Chinese companies (2014/2015: €0 million). As in the previous fiscal year, the main focus of Wincor Nixdorf AG's investing activities was on other fixed assets and office equipment and on reworkable service parts.

Additionally, Wincor Nixdorf expanded its software-related services business during the current fiscal year by acquiring 51% of the interests in Projective NV, Belgium, a company specializing in program and project management within the financial services sector. Prior to this, Wincor Nixdorf had already expanded its profitable IT Services business by acquiring the Dutch operations of Brink's. As of December 1, 2015, Wincor Nixdorf acquired the interests held by third parties in the joint venture Winservice AS (Oslo). Additionally, two service station support companies were acquired, with registered offices in Cologne (Germany) and Kraków (Poland). These companies are responsible, among other things, for operations. In addition, they update the software used to process payment transactions at the service stations throughout Europe.

In this context, the pro rata acquisition of Projective NV, the purchase of the business operations of Brink's, the acquisition of the third-party interests in Winservice AS, the first-time consolidation of CI Tech Sensors AG in Switzerland, and the takeover of the two service station support companies produced a cash outflow of €18 million in total. This also involved taking over assets and liabilities. At the date of acquisition, these items included net cash of €15 million. The amounts paid for the acquisition have been netted off in the financial statements against the above-mentioned cash and current financial liabilities.

The net cash inflow from financing activities totaled €65 million (2014/2015: cash outflow of €71 million).

Two investment firms acquired non-controlling stakes of around 13% in AEVI International GmbH, a subsidiary of Wincor Nixdorf, leading to a net cash inflow of €29 million. Cash expenses attributable to this transaction were offset against the payment received. This external equity holding in AEVI International GmbH is intended to more effectively leverage the company's potential in the market for cashless payments.

In addition, as a related company, Diebold S.A.R.L. made around €59 million available to Wincor Nixdorf for financing purposes in the form of a revolving credit line. Turning to cash outflows, the Company repaid financial liabilities of €20 million (2014/2015: €15 million). This amount is attributable in full to a scheduled partial repayment of the loan obtained in fiscal 2013/2014 from the European Investment Bank in Luxembourg.

In contrast to the prior year, no dividend was paid to shareholders in the current financial year. For fiscal 2013/2014 the Company paid dividends totaling €52 million.

At €49 million, free cash flow (cash flow from operating activities less capital expenditure on intangible assets, property, plant and equipment, and reworkable service parts) was up by €8 million year on year (2014/2015: €41 million).

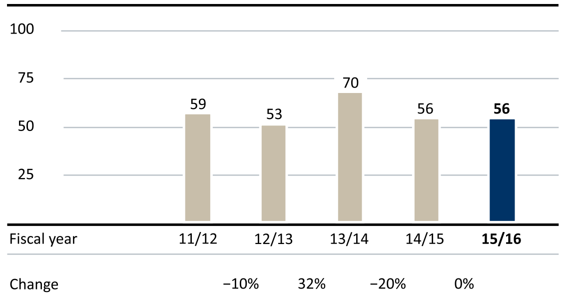
As a result of the above-mentioned changes in cash flow, net debt fell significantly in the period under review (Sept. 30, 2015: €140 million). In this context, the Company recorded a cash surplus of €7 million (including amounts drawn from the revolving credit line, this corresponds to net debt of €51 million) as of September 30, 2016.

Capital Expenditure.

As in the previous year, investments totaled €56 million in fiscal 2015/2016. These were directed primarily at IT equipment, software and licenses, specialist tools, and reworkable service parts. Within the IT field, our operations in Germany again formed one of the focal points of investment spending.

At €43 million (2014/15: €47 million), the majority of investments made over the course of fiscal 2015/2016 were attributable to the Banking segment. Additionally, a further €13 million (2014/15: €9 million) was invested in the Retail segment during the period under review.

Capital Expenditures History. € million



Events after the Reporting Period.

The Supervisory Board members Zvezdana Seeger, Hans-Ulrich Holdenried, and Professor Dr. Achim Bachem stepped down from the Supervisory Board of the Company effective from September 30, 2016, thus necessitating the election of new Supervisory Board members. At the Extraordinary General Meeting of Wincor Nixdorf AG, held on September 26, 2016, three new members were elected to the Supervisory Board effective from October 1, 2016: Elizabeth C. Radigan, Andreas W. Mattes, and Christopher A. Chapman.

Pursuant to the provisions set out in the business combination agreement concluded between Diebold Inc. and Wincor Nixdorf AG in November 2015, two members of the Leadership Team at Diebold Inc. were appointed by the Wincor Nixdorf AG Supervisory Board to the Board of Directors of Wincor Nixdorf AG. Alan Kerr joined the Board of Directors of Wincor Nixdorf AG effective from October 1, 2016. He will be responsible for the area of Software. Alan Kerr has held the position of Senior Vice President Software at Diebold Inc. since August 2014. Additionally, Stefan E. Merz joined the Board of Directors of Wincor Nixdorf AG effective from October 1, 2016. He is responsible for the area of Corporate Strategy and Development. Stefan E. Merz has held the position of Senior Vice President Strategic Projects at Diebold Inc. since August 2013.

Shareholders at the Extraordinary General Meeting of Wincor Nixdorf AG, held on September 26, 2016, gave their approval to the conclusion of a control (also referred to as "domination") and profit transfer agreement between Wincor Nixdorf AG and Diebold KGaA. Two actions for annulment (so-called *Anfechtungsklagen*) were brought against this item on the agenda.

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 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 under the Investor Relations section.

Compliance.

Corporate values and culture. For Wincor Nixdorf, a corporate and management culture that not only acknowledges the need to abide by statutory regulations but also embraces values such as integrity and fair competition is an essential prerequisite for a fully functioning compliance management system. Lawful conduct is a precondition 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 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. For the Company's employees, a functioning compliance management system offers a framework within which they can act and operate even in difficult situations. It thus helps not only to protect our Company against the detrimental effects of unlawful or non-compliant behavior but also to cement its reputation and enhance its long-term competitiveness.

With this in mind, Wincor Nixdorf is committed to refining its compliance management system on a continual basis in order to adapt it to the changing statutory and commercial factors that are of relevance to its global business activities.

Compliance management system. Building on its understanding of compliance, Wincor Nixdorf has established 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 focus of compliance management is on a preventative approach in support of a corporate culture that addresses the issue of potential misconduct before it arises by sensitizing and educating employees.

Against this background, considerable importance is attached to regular compliance training, which is conducted in the form of attended seminars as well as online sessions. Additionally, the compliance communication program, which includes a quarterly compliance newsletter, an updated compliance portal on the intranet, and personal support provided by the Corporate Compliance Office, helps to build awareness among the workforce of the issue of compliance and any associated risks.

Code of conduct for employees and suppliers. At the heart of Wincor Nixdorf's compliance management system is the Code of Conduct. Reflecting the values-led corporate culture embraced by the Group, it is binding for all employees. It is complemented by various guidelines such as the corporate hospitality guide, which provides personnel with an overview of how to deal with gifts, invitations, and corporate hospitality in general. Wincor Nixdorf has also issued a new guideline on the prevention of and appropriate response to conflicts of interest. It is aimed at raising awareness of this topic within the workforce and offering help and advice on how to deal with such instances.

Another key element is the Code of Conduct for Wincor Nixdorf Suppliers. It forms an integral part of the purchasing process and is fully incorporated in the purchase agreements.

The compliance organization. Wincor Nixdorf's compliance organization is headed by the Chief Compliance Officer (CCO), who 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 consists of Regional Compliance Officers, Area Compliance Officers, and Local Compliance Officers. They ensure that the compliance management system is applied correctly in their respective areas of responsibility. A central Compliance Office coordinates all compliance activities throughout the Group and advises employees on key issues.

The business combination agreement concluded between Diebold Inc. and Wincor Nixdorf AG includes provisions relating to integration activities, the aim being to identify and realign possible differences within the two compliance systems and introduce a compliance system tailored to US requirements in a timely manner for the combined Diebold Nixdorf Group.

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. Additionally, the report 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 May 5, 2015) 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 in conjunction with Section 315a 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 pay scale 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 he/she 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 2015/2016 were defined at the Supervisory Board meeting of September 23, 2015. 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 for members of the Board of Directors are itemized below and relate to all duties performed within the Group:

€

	Non-performance-based				Performance-based		Total	
	Fixed basic salary		Fringe benefits					
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
Eckard Heidloff	700,000.00	700,000.00	37,301.13	39,379.59	1,400,000.00	18,550.00	2,137,301.13	757,929.59
Dr. Jürgen Wunram	500,000.00	500,000.00	25,618.51	25,509.04	1,000,000.00	13,250.00	1,525,618.51	538,759.04
Olaf Heyden	396,666.73	350,000.00	24,114.68	23,331.03	793,333.46	9,275.00	1,214,114.87	382,606.03
Dr. Ulrich Näher[1)]	250,833.38	0.00	19,289.89	0.00	501,666.76	0.00	771,790.03	0.00
Jens Bohlen[2)]	0.00	204,166.69	0.00	12,472.63	0.00	9,275.00	0.00	225,914.32
Total	**1,847,500.11**	**1,754,166.69**	**106,324.21**	**100,692.29**	**3,695,000.22**	**50,350.00**	**5,648,824.54**	**1,905,208.98**

1) Member of the Board of Directors since March 1, 2016.
2) Left the Company effective from April 30, 2015.

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.

In line with German Corporate Governance Code (GCGC) recommendations, compensation payable to the Board of Directors for fiscal 2015/2016 has been disclosed in an itemized format based on the so-called model tables recommended by the GCGC. One of the key features of this presentation is the separate disclosure of benefits granted and actual allocations.

The **benefits granted** include fixed compensation and fringe benefits as well as short-term variable target compensation in the event of full target attainment and long-term share-based compensation measured at fair value at the date of granting. The details presented with regard to benefits granted also include benefit expense. Additionally, the minimum and maximum figures attainable are listed for each component of compensation.

The **allocation** includes fixed compensation actually granted in fiscal years 2014/2015 and 2015/2016 as well as the total amount of variable compensation paid by the Company. In accordance with GCGC recommendations, the list also includes the respective benefit expenses, despite the fact that these are not, strictly speaking, considered to be allocations.

Benefits Granted and Disbursements in Accordance with the German Corporate Governance Code (GCGC) – Eckard Heidloff.

€

Eckard Heidloff President & CEO Board member since March 8, 2004	Benefits granted				Allocation	
	2014/2015	2015/2016	2015/2016 (min.)	2015/2016 (max.)	2014/2015	2015/2016
Fixed compensation	700,000.00	700,000.00	700,000.00	700,000.00	700,000.00	700,000.00
Fringe benefits	39,379.59	37,301.13	37,301.13	37,301.13	39,379.59	37,301.13
Total fixed compensation	**739,379.59**	**737,301.13**	**737,301.13**	**737,301.13**	**739,379.59**	**737,301.13**
Short-term variable compensation[1)]	700,000.00	700,000.00	0.00	1,400,000.00	18,550.00[2)]	1,400,000.00
Long-term share-based compensation						
Share option program 2012 (2012-2016)	–	–	–	–	–	1,511,734.18
Share option program 2015 (2015-2019)	893,226.07	–	–	–	–	–
Share option program 2016 (2016-2020)	–	817,010.48	0.00	n.m.[3)]	–	–
Total variable compensation	**1,593,226.07**	**1,517,010.48**	**0.00**	**n.m.[3)]**	**18,550.00**	**2,911,734.18**
Service cost	126,082.00	126,082.00	126,082.00	126,082.00	126,082.00	126,082.00
Total	**2,458,687.66**	**2,380,393.61**	**863,383.13**	**n.m.[3)]**	**884,011.59**	**3,775,117.31**

1) Possible range between 0% (no payment) and 200% (maximum payment).
2) Payments for prior years.
3) n.m. = no maximum amount; the contracts of employment include suitable provisions to ensure that the amount allocated does not exceed compensation granted in an unreasonable manner.

Benefits Granted and Disbursements in Accordance with the German Corporate Governance Code (GCGC) – Dr. Jürgen Wunram. €

Dr. Jürgen Wunram Deputy President & CEO Board member since March 1, 2007	Benefits granted				Allocation	
	2014/2015	2015/2016	2015/2016 (min.)	2015/2016 (max.)	2014/2015	2015/2016
Fixed compensation	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00
Fringe benefits	25,509.04	25,618.51	25,618.51	25,618.51	25,509.04	25,618.51
Total fixed compensation	**525,509.04**	**525,618.51**	**525,618.51**	**525,618.51**	**525,509.04**	**525,618.51**
Short-term variable compensation[1)]	500,000.00	500,000.00	0.00	1,000,000.00	13,250.00[2)]	1,000,000.00
Long-term share-based compensation						
Share option program 2012 (2012-2016)	–	–	–	–		1,079,808.36
Share option program 2015 (2015-2019)	638,017.48	–	–	–	–	–
Share option program 2016 (2016-2020)	–	583,581.44	0.00	n.m.[3)]	–	–
Total variable compensation	**1,138,017.48**	**1,083,581.44**	**0.00**	**n.m.[3)]**	**13,250.00**	**2,079,808.36**
Service cost	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Total	**1,763,526.52**	**1,709,199.95**	**625,618.51**	**n.m.[3)]**	**638,759.04**	**2,705,426.87**

1) Possible range between 0% (no payment) and 200% (maximum payment).
2) Payments for prior years.
3) n.m. = no maximum amount; the contracts of employment include suitable provisions to ensure that the amount allocated does not exceed compensation granted in an unreasonable manner.

Benefits Granted and Disbursements in Accordance with the German Corporate Governance Code (GCGC) – Olaf Heyden. €

Olaf Heyden Member of the Board of Directors since May 1, 2013	Benefits granted				Allocation	
	2014/2015	2015/2016	2015/2016 (min.)	2015/2016 (max.)	2014/2015	2015/2016
Fixed compensation	350,000.00	396,666.73	396,666.73	396,666.73	350,000.00	396,666.73
Fringe benefits	23,331.03	24,114.68	24,114.68	24,114.68	23,331.03	24,114.68
Total fixed compensation	**373,331.03**	**420,781.41**	**420,781.41**	**420,781.41**	**373,331.03**	**420,781.41**
Short-term variable compensation[1)]	350,000.00	396,666.73	0.00	793,333.46	9,275.00[2)]	793,333.46
Long-term share-based compensation						
Share option program 2012 (2012-2016)	–	–	–	–	–	–
Share option program 2015 (2015-2019)	446,617.03	–	–	–	–	–
Share option program 2016 (2016-2020)	–	501,882.16	0.00	n.m.[3)]	–	–
Total variable compensation	**796,617.03**	**898,548.89**	**0.00**	**n.m.[3)]**	**9,275.00**	**793,333.46**
Service cost	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Total	**1,219,948.06**	**1,369,330.30**	**470,781.41**	**n.m.[3)]**	**432,606.03**	**1,264,114.87**

1) Possible range between 0% (no payment) and 200% (maximum payment).
2) Payments for prior years.
3) n.m. = no maximum amount; the contracts of employment include suitable provisions to ensure that the amount allocated does not exceed compensation granted in an unreasonable manner.

Benefits Granted and Disbursements in Accordance with the German Corporate Governance Code (GCGC) – Dr. Ulrich Näher.

€

Dr. Ulrich Näher Member of the Board of Directors since March 1, 2016	Benefits granted				Allocation	
	2014/2015	2015/2016	2015/2016 (min.)	2015/2016 (max.)	2014/2015	2015/2016
Fixed compensation	0.00	250,833.38	250,833.38	250,833.38	0.00	250,833.38
Fringe benefits	0.00	19,289.89	19,289.89	19,289.89	0.00	19,289.89
Total fixed compensation	**0.00**	**270,123.27**	**270,123.27**	**270,123.27**	**0.00**	**270,123.27**
Short-term variable compensation1)	0.00	250,833.38	0.00	501,666.76	0.00	501,666.76
Long-term share-based compensation						
Share option program 2012 (2012-2016)	–	–	–	–	–	–
Share option program 2015 (2015-2019)3)	446,617.03	–	–	–	–	–
Share option program 2016 (2016-2020)	–	501,882.16	0.00	n.m.2)	–	–
Total variable compensation	**446,617.03**	**752,715.54**	**0.00**	**n.m.2)**	**0.00**	**501,666.76**
Service cost	0.00	29,166.67	29,166.67	29,166.67	0.00	29,166.67
Total	**446,617.03**	**1,052,005.48**	**299,289.94**	**n.m.2)**	**0.00**	**800,956.70**

1) Possible range between 0% (no payment) and 200% (maximum payment).
2) n.m. = no maximum amount; the contracts of employment include suitable provisions to ensure that the amount allocated does not exceed compensation granted in an unreasonable manner.
3) Share options from 2015 were granted prior to appointment as member of the Board of Directors.

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

Members of the Board of Directors receive share options as a form of compensation with a long-term incentive effect. The number of share options granted is no longer based on individual, contractually fixed amounts; 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 [20] 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 ensure 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	92,422	8.84	817,010.48
Dr. Jürgen Wunram	500,000.00	66,016	8.84	583,581.44
Olaf Heyden	430,000.00	56,774	8.84	501,882.16
Dr. Ulrich Näher[3]	430,000.00	56,774	8.84	501,882.16
Total	**2,060,000.00**	**271,986**		**2,404,356.24**

1) Target value in €.
2) in €, on date granted.
3) Member of the Board of Directors since March 1, 2016.

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 2013 to 2016 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, 2016, by each member of the Board of Directors under each share-based payment program:

					Units
	2016	2015	2014	2013	Total
Eckard Heidloff	92,422	111,793	87,364	127,398	418,977
Dr. Jürgen Wunram	66,016	79,852	62,403	90,999	299,270
Olaf Heyden	56,774	55,897	43,682	0	156,353
Dr. Ulrich Näher[1) 2)]	56,774	55,897	0	0	112,671
Total	**271,986**	**303,439**	**193,449**	**218,397**	**987,271**

1) Member of the Board of Directors since March 1, 2016.
2) Share options from 2015 were granted prior to appointment as member of the Board of Directors.

The share options held as of September 30, 2016, are not exercisable at the end of the reporting period.

On March 30, 2016, the four-year vesting period for the 2012 share option program came to an end. The exercise price, having accounted for dividends, was €40.74. In accordance with the new provisions to be applied for the purpose of determining the relevant market price and adjusting the exercise period for the 2012 tranche, as agreed in the form of a resolution passed by the Annual General Meeting on January 25, 2016, under items 9 c) and 9 d) on the agenda, the relevant market price was determined on the basis of the unweighted average of the market price of the stock within the Xetra trading system of the Frankfurter Stock Exchange in the closing auction of the ten exchange trading days immediately subsequent to the announcement of the outcome on March 29, 2016, of the successful takeover bid by Diebold Inc. This price was calculated as €53.12. The associated gain per option is €12.38.

In total, the Board of Directors exercised 209,333 share options; of this total, 122,111 share options were attributable to Eckard Heidloff and 87,222 to Dr. Jürgen Wunram. The settlement of options was effected by means of a cash settlement.

The personnel expenses recognized in connection with the share-based payment programs from 2013 to 2016 are distributed among the board members as follows:

		€
	2015/2016	2014/2015
Eckard Heidloff	3,693,174.91	724,583.92
Dr. Jürgen Wunram	2,637,989.65	517,560.71
Olaf Heyden	771,922.94	123,080.81
Dr. Ulrich Näher[1]	435,706.06	0.00
Total	**7,538,793.56**	**1,365,225.44**

1) Member of the Board of Directors since March 1, 2016.

The increase in personnel expenses recognized is the result of a decision taken at the end of the third quarter to settle current share option programs by means of a cash settlement rather than in the form of shares. At the same time, the fair value of the respective obligations was re-measured and accounted for as an expense item.

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, 2016	Sept. 30, 2015	2015/2016	2014/2015
Eckard Heidloff	1,380,953.00	1,254,871.00	126,082.00	126,082.00
Dr. Jürgen Wunram	1,196,200.00	1,086,200.00	100,000.00	100,000.00
Olaf Heyden	232,725.00	172,725.00	50,000.00	50,000.00
Dr. Ulrich Näher[1)]	132,500.00	0.00	29,166.67	0.00
Total	**2,942,378.00**	**2,513,796.00**	**305,248.67**	**276,082.00**

1) Retirement capital benefits include benefits granted prior to the appointment as member of the Board of Directors.

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 2015/2016 or 2014/2015. 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) 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, 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 (GCGC) and stipulate a settlement payment as outlined in the Code. In the event that a member's period of office is terminated early, the employment 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 (GCGC) and stipulate a settlement payment as outlined in the Code. Due to the consummation of the voluntary public takeover offer by Diebold, Incorporated to shareholders of Wincor Nixdorf Aktiengesellschaft on August 15, 2016, the Supervisory Board resolved on an amendment to the contracts of the members of the Board of Directors. Pursuant to this amendment, the members of the Board of Directors shall, if during the term of the business combination agreement entered into by and between Wincor Nixdorf Aktiengesellschaft and Diebold, Incorporated on November 23, 2015, they cease to be members of the Board of Directors and if further prerequisites, in particular an unforeseen limitation of their Group-wide responsibilities, are fulfilled, receive a severance payment not limited to the compensation of the remaining term of the employment contract but in any case not exceeding the value of two years' compensation.

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 2015/2016, the total emoluments received by former members of the Board of Directors and their surviving dependents amounted to €123k in total (2014/2015: €1,623k). The prior-year figure includes compensation resulting from the termination of the employment contract of Jens Bohlen, which totaled €1,500k. Provisions in the amount of €3,328k (2014/2015: €3,174k) 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 mentioned above. 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	€
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
Dr. Alexander Dibelius (Chairman)	90,000.00	90,000.00	36,000.00	30,000.00	126,000.00	120,000.00
Michael Schild* (Deputy Chairman)	45,000.00	45,000.00	36,000.00	30,000.00	81,000.00	75,000.00
Prof. Dr. Achim Bachem (until September 30, 2016)	30,000.00	30,000.00	30,000.00	24,000.00	60,000.00	54,000.00
Dr. Valerie Barth (since January 25, 2016)	22,500.00	0.00	18,000.00	0.00	40,500.00	0.00
Elin Dera* (since January 25, 2016)	22,500.00	0.00	21,000.00	0.00	43,500.00	0.00
Dr. Dieter Düsedau	30,000.00	30,000.00	30,000.00	24,000.00	60,000.00	54,000.00
Prof. Dr. Edgar Ernst (until January 25, 2016) (Chairman of the Audit Committee)	15,000.00	45,000.00	15,000.00	30,000.00	30,000.00	75,000.00
Gabriele Feierabend-Zaljec* (until January 25, 2016)	10,000.00	30,000.00	12,000.00	24,000.00	22,000.00	54,000.00
Hans-Ulrich Holdenried (until September 30, 2016) (since January 25, 2016 Chairman of the Audit Committee)	41,250.00	30,000.00	36,000.00	27,000.00	77,250.00	57,000.00
Volker Kotnig* (until January 25, 2016)	10,000.00	30,000.00	15,000.00	30,000.00	25,000.00	60,000.00
Thomas Meilwes* (until January 25, 2016)	10,000.00	30,000.00	12,000.00	24,000.00	22,000.00	54,000.00
Edmund Schaefer* (since January 25, 2016)	22,500.00	0.00	18,000.00	0.00	40,500.00	0.00
Zvezdana Seeger (until September 30, 2016)	30,000.00	30,000.00	30,000.00	24,000.00	60,000.00	54,000.00
Martin Stamm* (until January 25, 2016)	10,000.00	30,000.00	12,000.00	24,000.00	22,000.00	54,000.00
Reinhard Steinrücke* (since January 25, 2016)	22,500.00	0.00	18,000.00	0.00	40,500.00	0.00
Daniela Ueberschär* (since January 25, 2016)	22,500.00	0.00	18,000.00	0.00	40,500.00	0.00
Carmelo Zanghi*	30,000.00	30,000.00	30,000.00	24,000.00	60,000.00	54,000.00
Total	**463,750.00**	**450,000.00**	**387,000.00**	**315,000.00**	**850,750.00**	**765,000.00**

* Employee representative.

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, 2016, 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 General Meeting. 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 vesting/lock-up periods.

On August 15, 2016, Diebold Holding Germany Inc. & Co. KGaA, with registered offices in Eschborn/Germany, notified Wincor Nixdorf AG pursuant to Section 21 Securities Trading Act (Wertpapierhandelsgesetz – WpHG) that it holds 23,106,784 voting rights (equivalent to 69.84% of the share capital) and thus the majority of the voting rights in respect of Wincor Nixdorf AG. The Company is not aware of any other 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 in each case. 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 General Meeting (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 General Meeting 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 26, 2016, up to and including January 25, 2021, 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 ensure 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 capital at the time of the resolution of the 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, 2021. 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 options; 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, and as detailed in the provisions of the authorization resolved by the AGM of January 20, 2014, in the version amended on the basis of the resolution passed by the AGM of January 25, 2016. 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 aforemen-

tioned 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 or 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 exception: 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 this context, the bank is entitled to revoke its 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 possible 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 challenge 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 the coming 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.

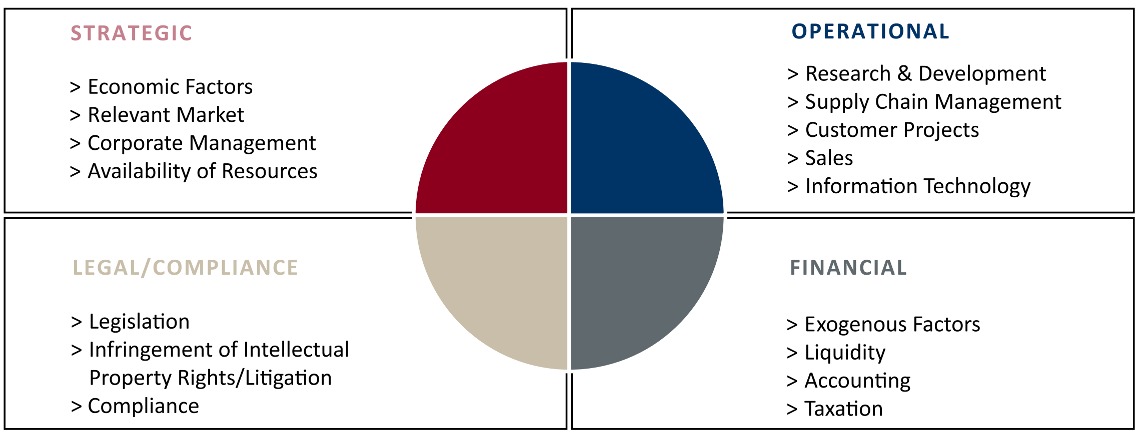
Reporting processes that relate to specific parameter thresholds and the actual extent of risk are used to coordinate the activities of the relevant Group functions. Risk Review Boards, which also include members of the Board of Directors, have been set up to discuss key projects, agree on appropriate measures, and assess and manage projects with due regard for the risk strategy. Our centralized Risk Management department 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 ensure 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 directives.

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 macroeconomic 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. Specifically, it should be noted that the business combination of Diebold Inc. and Wincor Nixdorf AG may result in 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 or implementation of special projects are two aspects to be cited in this context. In fiscal 2014/2015, for instance, the Company launched an extensive seven-point restructuring program referred to as Delta, which is scheduled to cover a period of several years. The aim of this program is to evolve the Group into a software and services enterprise, in addition to realigning costs and capacity levels in the area of hardware. Additionally, 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 in strategic terms.

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 consider optimal capacity utilization of our plants as well as expenses associated with the relocation of manufacturing to be critical factors influencing our bottom-line results. 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 influenced by **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 order to ensure sufficient room for maneuver with regard to financing, Wincor Nixdorf AG entered into a revolving credit line agreement with Diebold Self-Service Solutions S.A.R.L. in August 2016, covering a volume of €300 million over a term of five years. Additionally, we anticipate that the current loan from the European Investment Bank covering an amount of €65 million will be extinguished in early 2017 prior to maturity. As the long-term loan commitment was made by Diebold Inc., Wincor Nixdorf is exposed to liquidity risk in respect of Diebold Inc. From a third-party perspective, therefore, Wincor Nixdorf AG is subject to the same credit rating as Diebold Inc.

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. At the same time, a functioning compliance system may also create opportunities when it comes to securing contracts for customer projects.

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 ensure 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 ensured 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 ensures 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 ensuring 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.

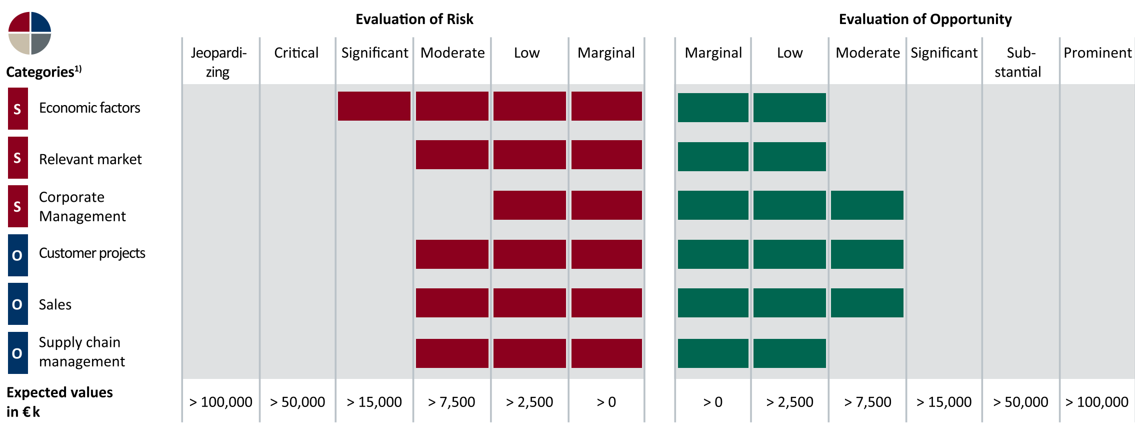
Wincor Nixdorf's Group Internal Audit conducts regular checks on the internal control systems and business processes of both subsidiaries and centralized functions with regard to compliance, cost-effectiveness, efficiency, and security. In particular, it monitors compliance with directives, organizational 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=Operational, F=Financial, L=Legal/Compliance; Level 2: Opportunities and risks identified in each category.

Economic factors. Budgeted EBITA may be impacted significantly if individual economies or global economic conditions in general develop at a level 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 markedly 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. Among the factors to be highlighted in this area are potential uncertainties within the relevant markets following the business combination of Diebold and Wincor Nixdorf as well as possible additional regulatory requirements as a result of the investigation currently being conducted by the Competition and Markets Authority in the United Kingdom. Activities planned within the area of software acquisition and integration are also associated with opportunities and risks. Additionally, 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 in dedicated segments 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. Given the current situation in the relevant market, we are of the opinion that the associated risks are more pronounced than the opportunities identified within this area.

Corporate management. The corporate management category includes opportunities and risks relating, among other things, to special projects within the Company. This category encompasses planning uncertainties attributable to the Delta restructuring and realignment program launched in the second half of fiscal 2014/2015. Various areas of potential were discussed, selected, and evaluated as part of Delta program activities. The execution of all measures agreed generated tangible potential in terms of business optimization as early as fiscal 2015/2016. Furthermore, positive effects have been accounted for in the budgeting process for fiscal 2016/2017. However, the project may give rise to circumstances, in terms of both time and content, whose implications could be of a negative or positive nature. At present, we consider the potential opportunities to be moderate, while the potential risks can be classified as low.

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, which also applies when implementing new sourcing strategies. 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 of 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, delays, 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 or the ability to apply to future customer projects specific learning effects gained from completed projects can contribute substantially 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 – evenly matched – 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 or by the fact that they are effected earlier than planned.

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.

Anticipated macroeconomic developments. In October 2016, the International Monetary Fund (IMF) revised downward slightly its outlook for global economic growth, with projections set at 3.1% for 2016 and 3.4% for 2017. In each case, this is 0.1 percentage points lower than the forecast presented by the IMF in April 2016. As regards its dampened outlook for the industrialized nations, the IMF cites repercussions from the Brexit referendum and weaker growth in the United States as key factors.

According to the IMF, economic growth in 2017 and in the medium term will be driven by both the emerging markets and the advanced economies. In the long term, however, prospects for the industrialized region are thought to be less favorable given the prevailing demographics and sluggish progress when it comes to improving productivity levels.

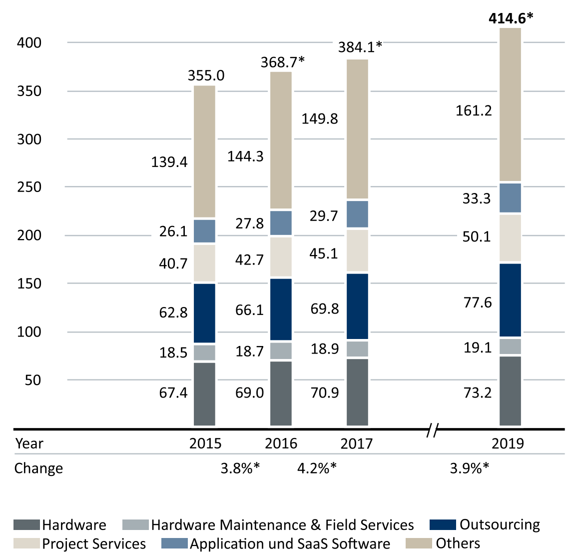
The IMF's projections are based on the following assumptions:

- A gradual normalization of conditions in economies currently under stress, with a general pick-up in growth for commodity exporters
- A gradual slowdown and rebalancing of China's economy with medium-term growth rates at close to 6%
- Resilient growth in the other emerging market and developing economies

Industry environment. Based on market analyses, global spending on IT will again rise in 2017 – in both the banking sector and the retail industry.

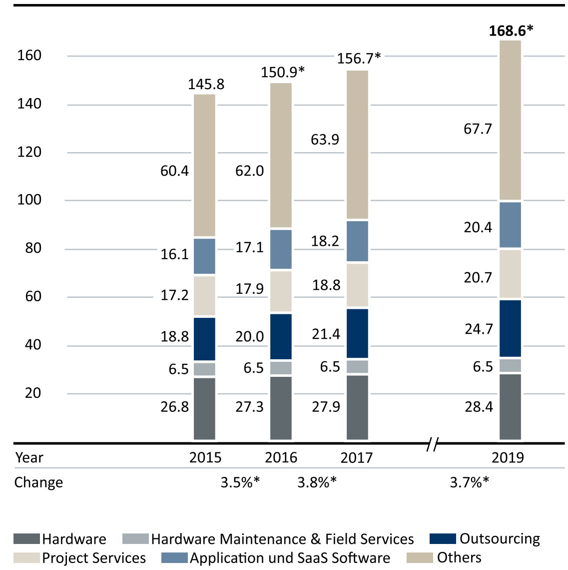
According to figures published by the market research firm Pierre Audoin Consultants (PAC) in August 2016, IT investment in the banking sector is set to expand from €368.7 billion in 2016 to €384.1 billion in 2017. This represents an increase of 4.2%. Based on PAC's research, the retail industry is also poised to ramp up investment in IT, with spending in 2017 forecast to rise by 3.8% compared with the calendar year 2016. In absolute terms, this would be equivalent to IT expenditure of €156.7 billion in the retail industry in 2017, on the back of €150.9 billion in 2016. For both industries, PAC anticipates much higher growth in the areas of software, professional services, and outsourcing than in hardware.

Global IT Expenditure in the Banking Segment. € billion



* Forecast. Source: PAC, 2016

Global IT Expenditure in the Retail Segment. € billion



* Forecast. Source: PAC, 2016

Overall assessment of the business environment. The wider market picture set to emerge in fiscal 2016/2017 is confirmation that the fundamental approach taken by the Group is well judged and that we can benefit from the rapidly advancing process of digitalization. At the same time, we have improved our operational capacity to respond to or smooth out potential fluctuations, e.g., in the emerging markets.

Expected Business Performance for the Wincor Nixdorf Group in 2016/2017.

In the current financial year 2016/2017 we expect to generate net sales slightly in excess of the figure recorded in fiscal 2015/2016. Net sales should be up on the prior-year figure in the Banking and Retail segments. Looking at our business streams, we anticipate that net sales relating to Hardware will be slightly lower, particularly in the Retail segment. This is to be seen against the backdrop of buoyant sales in the preceding year. The Software/Services business, by contrast, is expected to produce growth in both segments.

Wincor Nixdorf is confident that it will continue to reap the rewards of its Delta restructuring program over the course of the current 2016/2017 financial year (please also refer to the "Objectives and Strategy" section). The program was implemented with great success in fiscal years 2014/2015 and 2015/2016 and is to make a positive contribution to earnings of €120 million per annum in total up to fiscal 2017/2018.

Our Hardware business will continue to be exposed to price-related pressures around the globe, coinciding with stagnation with regard to the Group's installed base in the core markets of Europe. The Software/Services business stream is expected to generate growth from Software and Professional Services, fueled by the trend toward digitalization and omnichannel strategies. This will be complemented by forward momentum in the area of Services, with a more pronounced structural focus on Managed Services and Outsourcing (with a particular emphasis on the operation of ATM networks and the management of store life cycles).

In terms of regional performance, we expect to achieve growth in Germany and Europe (excluding Germany) in fiscal 2016/2017, whereas the Americas and Asia/Pacific/Africa (here particularly as a result of the joint venture and the associated decline in revenue streams from China) are likely to see a downturn in net sales.

Growth within the Group as a whole will also be underpinned by our activities relating to cashless and mobile payment solutions. This business is being managed by AEVI, which is expected to remain on track with double-digit percentage growth.

Research and development. In order to strengthen our market position, we are planning a modest year-on-year increase in R&D spending. With regard to the distribution of capital expenditure on R&D, we intend to maintain the pattern established in recent years and allocate a steadily increasing proportion to software development. The larger proportion of investment spending will be directed at the Banking segment. The main focus of this investment will be on the integration of omni-channel and mobile technology. We are also planning additional investment in our (AEVI) cashless and mobile payment operations. With regard to Hardware development, we will focus on refinements to our core modules, e.g., in the area of cash recycling. Other R&D spending will be targeted at developments to facilitate system integration, reduce costs across the entire system life cycle, and ease the task of maintenance.

Overall Assessment of Future Business Development.

Overall, we expect net sales in fiscal 2016/2017 to be slightly up on net sales recorded in the preceding year, while our operating profit (EBITA) before non-recurring items should be on a par with the prior-year figure. No additional non-recurring items are expected in connection with the Delta program over the course of the current fiscal year. One-time charges relating to the business combination with Diebold Inc. are likely to total approx. €20 million.

The year-on-year slowdown in revenue growth projected for fiscal 2016/2017 is attributable mainly to the Group's significant forward momentum in fiscal 2015/2016 together with the impact of establishing a joint venture in China and potential dis-synergies from the business combination with Diebold Inc. Our guidance with regard to net sales is based on projected non-organic growth.

Dividend. The Board of Directors and Supervisory Board will submit to the Annual General Meeting a proposal for the payment of a dividend.

CONTENTS.

GROUP ACCOUNTS.

NOTES TO THE GROUP FINANCIAL STATEMENTS.

Wincor Nixdorf Aktiengesellschaft, Paderborn
Group Income Statement
for the period from October 1, 2015 to September 30, 2016.

€k

	Note	2015/2016	2014/2015
Net sales	[1]	**2,578,571**	**2,426,995**
Cost of sales		–1,965,743	–1,993,415
Gross profit	[2]	**612,828**	**433,580**
Research and development expenses		–94,930	–89,620
Selling, general and administration expenses	[3]	–398,269	–320,087
Other operating income	[4]	24,132	0
Result from equity accounted investments	[10]	–193	–2,022
Net profit on operating activities		**143,568**	**21,851**
Finance income	[5]	3,603	1,469
Finance costs	[5]	–8,198	–8,407
Profit before income taxes		**138,973**	**14,913**
Income taxes	[6]	–37,086	–7,141
Profit for the period		**101,887**	**7,772**
Profit attributable to non-controlling interests		**1,451**	**1,306**
Profit attributable to equity holders of Wincor Nixdorf AG		**100,436**	**6,466**
Shares for calculation of earnings per share (in thousands)	[7]	**29,816**	**29,816**
Earnings per share (€)	[7]	**3.37**	**0.22**

Wincor Nixdorf Aktiengesellschaft, Paderborn
Group Statement of Comprehensive Income
for the period from October 1, 2015 to September 30, 2016.

€k

	Note	2015/2016	2014/2015
Profit for the period		**101,887**	**7,772**
Items that are or may be reclassified subsequently to profit or loss:			
Cash flow hedges - effective portion of changes in fair value		3,526	–13,791
Cash flow hedges - reclassified to profit or loss		2,337	18,676
Exchange rate changes - resulting in neither profit or loss		–4,599	12,345
Exchange rate changes - reclassified to profit or loss		–9,049	0
Items that will not be reclassified to profit or loss:			
Actuarial gains and losses		–26,996	–12,514
Other comprehensive income (net of tax)	[16]	**–34,781**	**4,716**
Total comprehensive income		**67,106**	**12,488**
Total comprehensive income attributable to:			
Non-controlling interests		**–62**	**1,048**
Equity holders of Wincor Nixdorf AG		**67,168**	**11,440**

Wincor Nixdorf Aktiengesellschaft, Paderborn
Group Balance Sheet
as of September 30, 2016.

Assets €k

	Note	Sept. 30, 2016		Sept. 30, 2015	
Non-current assets					
Intangible assets	[8]	374,916		354,129	
Property, plant and equipment	[9]	116,906		121,129	
Investments accounted for using the equity method	[10]	9,073		1,919	
Investments	[10]	3,706		1,176	
Reworkable service parts	[11]	29,812		29,034	
Trade receivables	[12]	14,406		15,919	
Other assets	[12]	7,628		4,319	
Deferred tax assets	[13]	44,712	**601,159**	47,908	**575,533**
Current assets					
Inventories	[14]	339,662		326,517	
Trade receivables	[12]	445,034		485,463	
Receivables from affiliated companies	[12]	11,475		0	
Receivables from related companies	[12]	65,272		7,112	
Current income tax assets	[12]	16,558		10,917	
Other assets	[12]	110,233		63,840	
Investments	[10]	8		14	
Cash and cash equivalents	[15]	85,336	**1,073,578**	37,838	**931,701**
Total assets			**1,674,737**		**1,507,234**

Equity and Liabilities €k

	Note	Sept. 30, 2016		Sept. 30, 2015	
Equity					
Subscribed capital of Wincor Nixdorf AG		33,085		33,085	
Retained earnings		515,927		476,673	
Treasury shares		–173,712		–173,712	
Other components of equity		35,121		51,301	
Equity attributable to equity holders of Wincor Nixdorf AG	[16]	**410,421**		**387,347**	
Non-controlling interests	[17]	30,110	**440,531**	4,093	**391,440**
Non-current liabilities					
Accruals for pensions and similar commitments	[18]	82,586		83,262	
Other accruals	[19]	21,926		17,745	
Financial liabilities	[20]	1,505		65,663	
Financial liabilities to affiliated companies	[20]	58,249		0	
Trade payables	[20]	8		0	
Other liabilities	[20]	63,557		6,840	
Deferred tax liabilities	[13]	9,126	**236,957**	23,229	**196,739**
Current liabilities					
Other accruals	[19]	175,530		170,969	
Financial liabilities	[20]	76,424		112,128	
Advances received	[20]	16,457		20,703	
Trade payables	[20]	344,231		338,128	
Liabilities to affiliated companies	[20]	570		0	
Liabilities to related companies	[20]	30,985		2,438	
Current income tax liabilities	[20]	40,982		39,959	
Other liabilities	[20]	312,070	**997,249**	234,730	**919,055**
Total equity and liabilities			**1,674,737**		**1,507,234**

Wincor Nixdorf Aktiengesellschaft, Paderborn
Group Cash Flow Statement
for the period from October 1, 2015 to September 30, 2016.[1)]

€k

	2015/2016	2014/2015
EBITA	**143,568**	**21,851**
Amortization/depreciation of property rights, licenses and property, plant and equipment	56,505	51,826
Write-down of reworkable service parts	6,293	2,381
EBITDA	**206,366**	**76,058**
Interest received	3,378	1,158
Interest paid	–6,004	–6,311
Income taxes paid	–37,482	–36,222
Result on disposal of intangible assets and property, plant and equipment	91	45
Result from the disposal of consolidated affiliated companies	–13,836	0
Change in accruals	–43,898	16,910
Other non-cash items	–19,113	17,789
Change in working capital	15,174	45,738
Change in other assets and other liabilities	217	–18,263
Cash flow from operating activities	**104,893**	**96,902**
Payments received from the disposal of property, plant and equipment	1,111	890
Payments received from the disposal of investments and other payments received	36	183
Payments received in connection from the disposal of consolidated affiliated companies less financial resources outflow	16,355	0
Payments made for investment in intangible assets	–9,984	–9,521
Payments made for investment in property, plant and equipment	–37,442	–39,462
Payments made for acquisition of consolidated affiliated companies, jointly controlled entities, and other business units	–2,678	–300
Payments made for investments	0	–51
Payments made for investment in reworkable service parts	–8,651	–7,121
Cash flow from investment activities	**–41,253**	**–55,382**
Payments made to equity holders	0	–52,178
Payments received from financial loan draw-downs from affiliated companies	58,249	0
Payments made for repayment of financial loans	–20,000	–15,000
Payments received from non-controlling interests	28,536	0
Payments made to non-controlling interests	–1,022	–874
Other financing activities	–178	–3,279
Cash flow from financing activities	**65,585**	**–71,331**
Net change in cash and cash equivalents	**129,225**	**–29,811**
Change in cash and cash equivalents from exchange rate movements	–1,141	368
Cash and cash equivalents at beginning of period[2)]	–53,826	–24,383
Cash and cash equivalents at end of period[2)]	**74,258**	**–53,826**

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, 2016.[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, 2014	**33,085**	**529,407**	**–173,712**	**49,186**	**–2,562**	**–12,383**	**423,021**	**3,788**	**426,809**
Cash flow hedges	0	0	0	0	0	4,885	4,885	0	4,885
Exchange rate changes	0	0	0	0	12,647	0	12,647	–302	12,345
Actuarial gains and losses	0	–12,558	0	0	0	0	–12,558	44	–12,514
Other comprehensive income	**0**	**–12,558**	**0**	**0**	**12,647**	**4,885**	**4,974**	**–258**	**4,716**
Profit for the period	0	6,466	0	0	0	0	6,466	1,306	7,772
Total comprehensive income	**0**	**–6,092**	**0**	**0**	**12,647**	**4,885**	**11,440**	**1,048**	**12,488**
Share options	0	5,541	0	–472	0	0	5,069	0	5,069
Takeover of shares and other changes	0	–5	0	0	0	0	–5	–17	–22
Distributions	0	–52,178	0	0	0	0	–52,178	–726	–52,904
Transactions with equity holders	**0**	**–46,642**	**0**	**–472**	**0**	**0**	**–47,114**	**–743**	**–47,857**
As of September 30, 2015	**33,085**	**476,673**	**–173,712**	**48,714**	**10,085**	**–7,498**	**387,347**	**4,093**	**391,440**
As of October 1, 2015	**33,085**	**476,673**	**–173,712**	**48,714**	**10,085**	**–7,498**	**387,347**	**4,093**	**391,440**
Cash flow hedges	0	0	0	0	0	5,863	5,863	0	5,863
Exchange rate changes	0	0	0	0	–13,705	0	–13,705	57	–13,648
Actuarial gains and losses	0	–25,426	0	0	0	0	–25,426	–1,570	–26,996
Other comprehensive income	**0**	**–25,426**	**0**	**0**	**–13,705**	**5,863**	**–33,268**	**–1,513**	**–34,781**
Profit for the period	0	100,436	0	0	0	0	100,436	1,451	101,887
Total comprehensive income	**0**	**75,010**	**0**	**0**	**–13,705**	**5,863**	**67,168**	**–62**	**67,106**
Share options reclassifications	0	772	0	–8,338	0	0	–7,566	0	–7,566
Business acquisitions	0	–20,744	0	0	0	0	–20,744	6,316	–14,428
Disposal of non-controlling interests without loss of control	0	–15,784	0	0	0	0	–15,784	20,184	4,400
Distributions	0	0	0	0	0	0	0	–421	–421
Transactions with equity holders	**0**	**–35,756**	**0**	**–8,338**	**0**	**0**	**–44,094**	**26,079**	**–18,015**
As of September 30, 2016	**33,085**	**515,927**	**–173,712**	**40,376**	**–3,620**	**–1,635**	**410,421**	**30,110**	**440,531**

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

Wincor Nixdorf Aktiengesellschaft, Paderborn Notes to the Group Financial Statements for Fiscal 2015/2016.

SEGMENT REPORT IN ACCORDANCE WITH IFRS 8.

Operating Segments.[1)] €k

	Banking	Retail	Group
Net sales to external customers	1,543,277 (1,581,612)	1,035,294 (845,383)	**2,578,571** (2,426,995)
Operating profit (EBITA)	104,653 (3,111)	38,915 (18,740)	**143,568** (21,851)
Result from equity accounted investments	–193 (–2,022)	0 (0)	**–193** (–2,022)
Segment assets	609,512 (655,124)	435,993 (343,341)	**1,045,505** (998,465)
Segment liabilities	337,789 (298,994)	221,439 (180,216)	**559,228** (479,210)
Investment in intangible assets and property, plant and equipment	36,676 (41,245)	10,750 (7,738)	**47,426** (48,983)
Investment in reworkable service parts	6,575 (5,626)	2,076 (1,495)	**8,651** (7,121)
Amortization/depreciation of property rights, licenses and property, plant and equipment	45,819 (44,480)	10,686 (7,346)	**56,505** (51,826)
Write-down of reworkable service parts	4,783 (1,881)	1,510 (500)	**6,293** (2,381)
Research and development expenses	61,314 (54,941)	33,616 (34,679)	**94,930** (89,620)

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	1,788,133 (1,652,435)	*565,138* *(554,903)*	470,694 (479,687)	319,744 (294,873)	**2,578,571** (2,426,995)
Segment assets	750,455 (667,849)	*422,571* *(348,696)*	216,182 (230,298)	78,868 (100,318)	**1,045,505** (998,465)
Non-current assets	164,229 (154,635)	*138,671* *(134,481)*	7,977 (11,833)	872 (1,301)	**173,078** (167,769)
Investment in intangible assets and property, plant and equipment	45,019 (45,965)	*39,544* *(35,627)*	2,142 (2,673)	265 (345)	**47,426** (48,983)
Investment in reworkable service parts	8,651 (5,783)	*8,651* *(5,783)*	0 (1,338)	0 (0)	**8,651** (7,121)

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 banks and retailers. 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 41 of these. Major business geographies are Germany and Europe. The Group’s main production facility is located in Germany. Research and development within the Group is conducted predominantly in Germany, Austria, Poland, Singapore, and Czechia.

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 SDAX. 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 23, 2016, the Board of Directors of Wincor Nixdorf AG authorized the Group financial statements for issue.

Use of International Financial Reporting Standards (IFRS).

The Group financial statements of Wincor Nixdorf AG as of September 30, 2016, 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 2015/2016, Wincor Nixdorf AG has applied the following amendments and changes to accounting standards for the first time:

- Amendments to IAS 19: “Defined Benefit Plans: Employee Contributions” (to be applied for periods beginning on or after February 1, 2015)
- Annual Improvements to IFRSs 2010-2012 Cycle (to be applied for periods beginning on or after February 1, 2015)
- Annual Improvements to IFRSs 2011-2013 Cycle (to be applied for periods beginning on or after January 1, 2015)

The first-time application of the amendments and accounting standards had no material effect on the Group financial statements of Wincor Nixdorf AG as of September 30, 2016.

Accounting Standards Not Applied before the Effective Date.

In addition, the following amendments have been released by the IASB and adopted by the European Union until September 30, 2016; however, they are not yet applicable for the Group financial statements of Wincor Nixdorf AG in fiscal 2015/2016:

- Amendments to IAS 16 and IAS 41: “Bearer Plants” (to be applied for periods beginning on or after January 1, 2016)
- Amendments to IFRS 11: “Accounting for Acquisitions of Interests in Joint Operations” (to be applied for periods beginning on or after January 1, 2016)
- Amendments to IAS 16 and IAS 38: “Clarification of Acceptable Methods of Depreciation and Amortization” (to be applied for periods beginning on or after January 1, 2016)

- Annual Improvements to IFRSs 2012 – 2014 Cycle (to be applied for periods beginning on or after January 1, 2016)
- Amendments to IAS 1: "Disclosure Initiative" (to be applied for periods beginning on or after January 1, 2016)
- Amendments to IAS 27: "Equity Method in Separate Financial Statements" (to be applied for periods beginning on or after January 1, 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment Entities – Applying the Consolidation Exception" (to be applied for periods beginning on or after January 1, 2016)

In addition, the European Union incorporated the following International Financial Reporting Standard into existing law on September 22, 2016:

- IFRS 15 "Revenue from Contracts with Customers including amendments to IFRS 15" (to be applied for periods beginning on or after January 1, 2018)

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 provisions 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, with the exception of the provisions of IFRS 15, the effects of which on the Group financial statements are currently being examined.

Accounting Standards Not yet Adopted into EU Law.

In addition, the IASB has issued further standards and amendments of existing standards that the European Union has not yet incorporated into existing law:

- Amendments to IAS 7: "Amendments Disclosure Initiative" (to be applied for periods beginning on or after January 1, 2017)
- Amendments to IAS 12: "Amendments Recognition of Deferred Tax Assets for Unrealized Losses" (to be applied for periods beginning on or after January 1, 2017)
- Amendments to IFRS 9 (2014): "Financial Instruments" (to be applied for periods beginning on or after January 1, 2018)
- Amendments to IFRS 15: "Amendment Clarifications to IFRS 15" (to be applied for periods beginning on or after January 1, 2018)
- Amendments to IFRS 2: "Amendments Classification and Measurement of Share-based Payment Transactions" (to be applied for periods beginning on or after January 1, 2018)
- Amendments to IFRS 4: "Amendments Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (to be applied for periods beginning on or after January 1, 2018)
- Amendments to IFRS 14: "Regulatory Deferral Accounts" (to be applied for periods beginning on or after January 1, 2016)
- Amendments to IFRS 16: "Leases" (to be applied for periods beginning on or after January 1, 2019)
- Amendments to IFRS 10 and IAS 28: "Amendments Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" and "Amendments Effective Date" (mandatory application date not yet known)

At the date on which the Group financial statements are issued, we do not expect any material effects resulting from the standards and amendments to existing standards that have not yet been incorporated into existing EU law on the presentation of the Group financial statements of Wincor Nixdorf AG at the moment of first-time application, with the exception of the provisions of IFRS 9 and IFRS 16, the effects of which on the Group financial statements still have to be examined.

METHODS OF CONSOLIDATION.

Consolidation Group.

The Group financial statements as of September 30, 2016, basically include those subsidiaries controlled by Wincor Nixdorf AG. Control exists if Wincor Nixdorf AG is exposed, or has rights, to variable returns of companies and has the ability to affect those returns through its power. Inclusion of such companies' in the Group financial statements begins from the date Wincor Nixdorf AG obtains control. It ceases, when Wincor Nixdorf AG loses control of the company.

The number of consolidated companies changed in fiscal 2015/2016 as follows:

	Germany	Other countries	Total
October 1	24	61	**85**
Newly founded companies	1	2	**3**
Acquisitions	1	9	**10**
Liquidated and deconsolidated companies	0	–6	**–6**
Intragroup mergers	0	–1	**–1**
September 30	**26**	**65**	**91**

Acquisition and Founding of Subsidiaries. WINCOR NIXDORF Global Logistics GmbH, Paderborn, was founded in the fiscal year. The subscribed capital amounts to €25k.

On October 1, 2015, Wincor Nixdorf acquired all the shares in SecurCash Nederland B.V. (formerly: Brink's Nederland B.V.), Houten, the Netherlands, and thus obtained control over the entity. The acquisition serves to provide one-stop cash management and cash logistics services that leading Dutch banks have ordered under long-term contracts. As business risks for the seller were not reflected in the valuation as of the acquisition date due to the entity's incorporation into the Wincor Nixdorf Group, this acquisition results in a bargain purchase, which is reported at €10,262k under other operating income.

Effective December 1, 2015, the outstanding shares in Winservice AS, Oslo, Norway, were acquired, amounting to 50%. Due to the transfer of control to Wincor Nixdorf AG, Winservice AS is no longer accounted for using the equity method as a joint venture, but is for the first time fully consolidated as a subsidiary. The entity was retroactively merged with the Norwegian subsidiary Wincor Nixdorf AS, Oslo, as of January 1, 2016.

The joint control over CI Tech Components AG, Burgdorf, Switzerland, was relinquished, and the investment no longer recognized as a joint venture from January 1, 2016. CI Tech Components AG, Burgdorf, Switzerland, contributed the sensor business (development and production of banknote readers), which is important for Wincor Nixdorf, to CI Tech Sensors AG, Burgdorf, Switzerland, as of January 1, 2016. The shares in CI Tech Sensors AG, Burgdorf, Switzerland, were distributed to the two shareholders of CI Tech Components AG, Burgdorf, Switzerland, by way of a non-cash dividend of 50% of the voting rights each. At the same time, the shareholders performed a share swap, whereby Wincor Nixdorf received 25% of the voting rights in CI Tech Sensors AG, Burgdorf, Switzerland, in exchange for 25% of the voting rights in CI Tech Components AG, Burgdorf, Switzerland. The interest in CI Tech Components AG, Burgdorf, Switzerland, now amounts to 25% of the voting rights. In Wincor Nixdorf's view, significant influence is no longer exercised over the entity because neither financial nor operating decisions can still be influenced. The shares in CI Tech Sensors AG, Burgdorf, Switzerland, amount to 75% of the voting rights. Non-controlling interests were measured at their proportionate share in net assets. The put option granted to non-controlling interests for their shares is measured at the present value of the exercise price and recognized under other financial liabilities. They were recognized in equity against retained earnings.

In addition, 51% ownership interest in Projective NV, Brussels, Belgium, was purchased as of March 1, 2016. Because control was acquired, Projective NV and its subsidiaries based in Diegem, Belgium, The Hague, the Netherlands, and London, UK, were included in the Group financial statements of Wincor Nixdorf AG for the first time from this date. By acquiring a majority stake in the consulting firm for program and project management of complex IT-assisted change and transformation projects, which specializes in the financial services sector, Wincor Nixdorf is further expanding the service business associated with software. In the fourth quarter of the fiscal year, another 2.073% of the shares were acquired. Non-controlling interests were measured at their proportionate share in the net assets of the acquired entity. The put option granted to non-controlling interests for their shares is measured at the present value of the expected exercise price and recognized under other financial liabilities. They were recognized in equity against retained earnings.

In addition, Wincor Nixdorf acquired all the shares in two service station support companies (Tankstellen Support GmbH, TSG) based in Cologne and Krakow, Poland, as of April 1, 2016. The acquisition allows software for processing payment transactions at service station clients to be operated and updated all over Europe.

All acquisitions were financed with the Wincor Nixdorf Group's existing liquidity.

The acquisitions were recognized as business combinations according to IFRS 3. In the purchase price allocation, the identifiable assets, liabilities and contingent liabilities of the acquired entities were recognized at their fair values.

The amounts of acquired assets and assumed liabilities recognized at each acquisition date are outlined below:

€k

	Total	Oct. 1, 2016 thereof SecurCash Nederland B.V.	Jan. 1, 2016 thereof CI Tech Sensors AG	Mar. 1, 2016 thereof Projective NV
Intangible assets	11,278	0	14	5,927
Property, plant and equipment	7,309	5,701	1,465	97
Inventories	7,228	27	7,201	0
Trade receivables	14,027	8,736	930	4,225
Receivables from related companies	5,408	0	4,207	1,201
Other receivables and deferred tax assets	9,243	2,591	1,165	492
Cash and cash equivalents	15,787	12,626	1,364	1,472
Financial liabilities	–1,855	–492	0	–1,363
Accruals	–20,857	–10,720	–5,960	–243
Trade payables	–3,465	–1,993	0	–1,185
Current income tax liabilities and deferred tax liabilities	–5,764	–2,680	–171	–1,397
Other liabilities	–7,687	–2,534	–2,236	–2,057
Total identifiable net assets acquired	**30,652**	**11,262**	**7,979**	**7,169**

The goodwill or negative goodwill is calculated as follows:

€k

	Total	thereof SecurCash Nederland B.V.	thereof CI Tech Sensors AG	thereof Projective NV
Consideration transferred	23,160	1,000	2,500	14,426
Non-controlling interests	5,908	0	1,995	3,913
Fair value of pre-existing interest	5,234	0	5,000	0
Fair value of identifiable net assets	–30,652	–11,262	–7,979	–7,169
Goodwill/negative Goodwill	**3,650**	**–10,262**	**1,516**	**11,170**

The goodwill results primarily from the skills and special talents of the employees acquired as part of the acquisition. None of the recognized goodwill is expected to be deductible for tax purposes.

From the date the entities were included in the Group financial statements of Wincor Nixdorf AG until September 30, 2016, the acquisitions contributed €33,311k to net sales and –€721k to profit for the period. If the acquisitions had been made on October 1, 2015, the Board of Directors estimates that net sales would have been €40,539k and profit for the period would have been –€688k, thus Group net sales would have been €2,585,799k and Group profit for the period €101,920k.

Sale of Non-Controlling Interests without Loss of Control. Wincor Nixdorf AG concluded agreements with the entities HPE Growth Capital (HPE) and Adveq regarding minority interests in its subsidiary Aevi International GmbH (Aevi) with retroactive effect from October 1, 2015. HPE and Adveq invested by way of capital increases worth €20m and a sale of shares by Wincor Nixdorf International GmbH amounting to €10m. AEVI is using the growth capital to continue its successful growth trajectory in the market for cashless payment. As of September 30, 2016, the non-controlling interests' share in the voting rights of AEVI was 13.36%. As the change in the AEVI shares did not lead to a loss of control, the proceeds from these minority interests exceeding the carrying amount of the non-controlling interests were offset in equity against retained earnings. Furthermore, the put option for non-controlling interests granted to the acquirers, which is measured at the present value of the exercise price and recognized under other financial liabilities, was also offset against retained earnings.

Sale of Interests with Loss of Control. As part of the strategic restructuring of business activities in China, on September 29, 2016, Wincor Nixdorf executed the sale agreed on June 21, 2016, of 56.4% of the ownership interest in each of the Chinese companies Wincor Nixdorf Retail & Banking Systems (Shanghai) Co., Ltd., Shanghai (China), and Wincor Nixdorf Manufacturing (Shanghai) Co., Ltd., Shanghai (China), as well as Wincor Engineering Pte. Ltd., Singapore (Singapore), which was newly founded in the fiscal year. The sale caused Wincor Nixdorf to lose its controlling influence, so the companies are no longer fully consolidated as of September 30, 2016. The remaining interest amounting to 43.6% was measured at fair value according to the equity method; the resulting profit of €9,073k was recognized together with the gain on deconsolidation under other operating income [4].

In addition, the previously fully consolidated entities WINCOR NIXDORF RETAIL SOLUTIONS (M) SDN. BHD. Kuala Lumpur (Malaysia) and WINCOR NIXDORF Ltd., Seoul (South Korea) were liquidated. The investment in the fully consolidated subsidiary Wincor Nixdorf Oil and Gas IT Service LLC, Moscow (Russia) was sold in the fiscal year.

Joint Ventures. Joint ventures of Wincor Nixdorf Group comprise one company (2014/2015: three companies) which are jointly controlled with partners and in which a 50% ownership interest is held. Joint control is based on a contractual arrangement and Wincor Nixdorf has a residual interest in the net assets of the companies.

Associated Companies. Since the sale of the majority interests, the Chinese companies Wincor Nixdorf Retail & Banking Systems (Shanghai) Co., Ltd., Shanghai (China), and Wincor Nixdorf Manufacturing (Shanghai) Co., Ltd., Shanghai (China), as well as Wincor Engineering Pte. Ltd., Singapore (Singapore), have been associated companies of Wincor Nixdorf Group, which has a 43.6% share in the voting rights of each (2014/2015: 0 companies).

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, 2016, and, for the comparative period, as of September 30, 2015. By departure from this, we have used interim accounts in respect of 17 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. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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 put options for non-controlling interests exist, these are presented based on the respective purchase price agreement at the present value of the exercise price as a financial liability.

If Wincor Nixdorf loses control of a subsidiary, the assets, liabilities, any non-controlling interests and foreign exchange reserves are derecognized. Gains and losses from the disposal of subsidiaries are recognized under the other operating result.

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.

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.

Joint ventures and associated companies 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 intra-Group profit elimination resulting from business with Wincor Nixdorf, and other changes in the equity of the joint ventures and associated companies 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:

1€ =	ISO Code	Average rate 2015/2016	Average rate 2014/2015	Closing rate Sept. 30, 2016	Closing rate Sept. 30, 2015
Pounds sterling	GBP	0.7853	0.7413	0.8610	0.7385
U.S. dollar	USD	1.1065	1.1436	1.1161	1.1203

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.

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), to the ability of future tax benefits to be realized (see Note [6]), to investments accounted for using the equity method (see Note [10]), to accruals for pensions and similar commitments (see Note [18]), to other accruals (see Note [19]), to share-based payment programs (see Note [20] section Share-based Payment Program),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. Revisions to estimates are incorporated 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 are derived from the business streams Hardware as well as Software/Services. Included in the business stream Software is revenue from software licenses and software-related services (professional services). The business stream Services comprises product-related services and high-end services like Managed Services and Outsourcing.

Net sales from the delivery of hardware and software licenses are recognized as soon as the entity has transferred to the customer the significant risks and rewards of ownership. Within this context, the entity retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control. 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.

Net sales from professional services, product-related and high-end 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 as this measures the services performed most reliably. With long-term Professional Services contracts partial performances that are referring to proportionate allocable considerations are generally stipulated. Net sales are recognized when the partial performances have been rendered and accepted based on the conditions specified in the contract.

In case of multiple-component contracts with a determinable amount for subsequent services for software and services, 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 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.

Research expenses are not to be capitalized. Research expenses are therefore recorded in profit or loss once incurred.

Development expenses of the Group are capitalized if certain criteria of IAS 38.57 are met cumulatively. Under these rules, capitalization is required whenever development expenses may be reliably measured, the product or procedure are technically feasible, future economic benefits are probable, and the Group intends and disposes of sufficient resources to complete the development and to use or sell the asset.

Capitalized development expenses are valued at cost of acquisition or production, less scheduled depreciation and impairment losses. Upon receipt, advances or reimbursements are deducted from development expenses.

In most cases, 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.

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.

Non-capitalized development expenses are recorded in profit or loss once incurred. This refers to the major part of the research and development expenses of the Group and concerns enhancements and improvements of already existing products. These do not comply with the criteria of IAS 38 for separate capitalization of development expenses.

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 €1,358k (2014/2015: €1,598k) 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.

Deferred taxes on "outside basis differences" are not recognized if a reversal of the difference is not expected in the foreseeable future and the parent entity is able to control the timing of the temporary differences.

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. If there are indications of impairment of intangible assets, they are tested for impairment (see "Impairment") and, if necessary, written down . 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.

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.

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.

If there are indications of impairment of items of property, plant and equipment, they are tested for impairment (see Impairment) and, if necessary, written down. 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 (see Reworkable Service Parts and Current Inventories) and deferred tax assets (see Taxes), the book values of assets held by the Group are checked on each 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, 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, 2016, the aggregate carrying amounts of material goodwill amount to €204,554k (2014/2015: €205,890k) for "Banking Carve-out" and to €87,666k (2014/2015: €88,238k) 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, 2016, goodwill allocated to cash-generating unit "Banking Europe" amounts to €37,398k (2014/2015: €24,712k), the total amount of the remaining goodwill is €18,937k (2014/2015: €17,683k).

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 2018/2019. 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. A slight increase in cash flow is expected for all cash-generating units to which a material carrying amount of goodwill is assigned. Possible future cash flows from acquisitions are not included. The assumptive continual growth of 0,75% (2014/2015: 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.

In fiscal 2015/2016, no impairment was necessary. There are also no indications for impairment under consideration of sensitivity analyses of possible changes in key assumptions.

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

	2015/2016			2014/2015		
	Goodwill	Long-term growth rate	Interest rate	Goodwill	Long-term growth rate	Interest rate
Banking (Carve-out)	204,554	0.75%	11.7%	205,890	1.50%	9.7%
Retail (Carve-out)	87,666	0.75%	12.1%	88,238	1.50%	9.9%
Banking Europe	37,398	0.75%	12.3%	24,712	1.50%	10.1%
Other cash-generating units	18,937	0.75%	9.3–13.1%	17,683	1.50%	8.6–11.7%
Total	**348,555**			**336,523**		

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 other financial assets 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 at Amortized Cost (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.

If there are objective or substantial indications of impairment of a financial asset, an impairment loss is recognized in profit or loss and presented on separate accounts for impairment losses. 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.

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 and 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.

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.

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 Wincor Nixdorf applies the "Mercer Yield Curve approach" (MYC). Pension expenses are recorded immediately in the relevant year's profit for the period. Service cost is presented in the functional costs and net interest on net defined benefit liability in the financial result. 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 constructive 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.

Share-based payment includes liability-based payment plans, which are settled in cash.

The liability-based payment plans are measured at fair value as of each balance sheet date until they are settled, and the obligation is recognized under other financial liabilities.

The result to be recognized in the reporting period equates to the change in the fair value of the liability between the balance sheet dates plus the dividend equivalent paid out in the reporting period and is recognized under functional costs.

NOTES TO THE GROUP INCOME STATEMENT.

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

€k

	2015/2016	2014/2015
Hardware	1,134,057	1,015,283
Software/Services	1,444,514	1,411,712
	2,578,571	**2,426,995**

[2] Gross Profit. Gross margin on net sales amounts to 23.8% (2014/2015: 17.9%) and is 5.9 percentage points up compared with the previous fiscal year.

The foreign currency gains and losses of –€5,388k (2014/2015: –€35,981k) 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 2015/2016 amounts to €24,132k (2014/2015: €0k). As part of the strategic restructuring of business activities in China, Wincor Nixdorf sold its shares in the Chinese subsidiaries. The sale of these shares resulted in other operating income of €13,836k, of which €9,073k results from the measurement of all shares retained in the former subsidiary at fair value as of the date control was lost. In addition, this item includes the bargain purchase amounting to €10,262k from the acquisition of SecurCash Nederland B.V.,

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

€k	2015/2016	2014/2015
Income from securities and other income	225	311
Interest and similar income	3,378	1,158
Finance income	**3,603**	**1,469**
Interest and similar expenses	–5,994	–6,273
Interest element within additions to long-term accruals and other finance costs	–2,204	–2,134
Finance costs	**–8,198**	**–8,407**
	–4,595	**–6,938**

[6] Income Taxes.

€k	2015/2016	2014/2015
Current taxes on income and profit	–42,606	–25,991
Deferred tax income and expenses	5,520	18,850
	–37,086	**–7,141**

The amounts for current 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.

Included in current taxes on income and profit are non-periodic tax expenses of €3,818k.

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, 2016, tax losses carried forward exist in the amount of €19,592k (2014/2015: €28,967k) and temporary differences in the amount of €1,123k (2014/2015: €12,732k) on which no deferred tax asset has been capitalized. Tax losses amounting to €2,576k for which no deferred tax assets were recognized account for the period until 2023.

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

Actual tax expenses are €4,606k below (2014/2015: €2,667k above) those which would be expected to be arrived at through the application of the ultimate parent company's tax rate.

As of September 30, 2016, 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

	2015/2016	2014/2015
Profit before income taxes	**138,973**	**14,913**
Expected tax expenses based on a tax rate of 30%	**–41,692**	**–4,474**
Differences from expected tax expenses		
Difference to local tax rates	10,014	4,240
Decreases/increases in tax due to tax-exempt income and non-tax-deductible expenses	3,199	710
Corrections relating to other periods and other effects	–2,837	–494
Changes of allowances/non-recognition of deferred taxes on current losses and temporary differences	–5,752	–7,547
Usage of deferred tax assets not recognized in previous years	442	0
Others	–460	424
Total adjustments	**4,606**	**–2,667**
Actual tax expenses	**–37,086**	**–7,141**

The effective tax rate is 26.7% (2014/2015: 47.9%).

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

€k

	Sept. 30, 2016		Sept. 30, 2015	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	22,164	66,842	60	64,776
Property, plant and equipment	8,150	970	8,483	637
Investments	441	600	411	607
Inventories	11,129	599	14,007	1,345
Receivables and other current assets	2,867	5,675	3,330	5,516
Pension accruals	32,042	1,363	21,588	784
Other accruals	17,581	2,382	27,517	1,005
Liabilities	20,098	487	15,555	1,043
Losses carried forward	1,490	0	6,536	0
Other	859	2,317	2,905	0
	116,821	**81,235**	**100,392**	**75,713**
Netting off of deferred tax assets and liabilities	–72,109	–72,109	–52,484	–52,484
	44,712	**9,126**	**47,908**	**23,229**

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 €21,398k (2014/2015: €12,654k) 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 €733k (2014/2015: €3,213k) and are presented in the deferred tax liabilities to receivables and other assets in the amount of €1,510k (2014/2015: €195k) and the deferred tax assets to liabilities of €2,243k (2014/2015: €3,405k).

[7] Earnings per Share. 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.

Due to the business combination agreement with Diebold, Incorporated, North Canton, Ohio, USA (in the following "Diebold, Inc.") there is a contractual obligation no longer to settle share-based payment programs at maturity in shares but rather in cash. A dilution of earnings per share is therefore ruled out, as none of the current share-based payment programs (see Note [20]) will be settled in shares in the future.

	2015/2016	2014/2015
Profit attributable to equity holders of Wincor Nixdorf AG (€k)	100,436	6,466
Number of shares outstanding as of October 1 (in thousands)	29,816	29,816
Number of shares outstanding as of September 30 (in thousands)	29,816	29,816
Weighted average number of shares outstanding (in thousands)	29,816	29,816
Diluted earnings per share (€)	**3.37**	**0.22**

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	Internally generated intangible assets	Goodwill	Advances made	Total
Cost of acquisition or production					
Balance as of October 1, 2014	**58,537**	**0**	**338,397**	**0**	**396,934**
Currency translation	1,551	0	1,291	0	2,842
Additions	5,815	3,706	0	0	9,521
Disposals	–13,567	0	0	0	–13,567
Balance as of September 30, 2015/October 1, 2015	**52,336**	**3,706**	**339,688**	**0**	**395,730**
Currency translation	9	0	–1,880	0	–1,871
Additions to consolidation group	9,408	0	13,912	0	23,320
Disposals to consolidation group	–280	0	0	0	–280
Additions	4,341	5,522	0	121	9,984
Transfers	602	0	0	0	602
Disposals	–5,916	0	0	0	–5,916
Balance as of September 30, 2016	**60,500**	**9,228**	**351,720**	**121**	**421,569**
Depreciation					
Balance as of October 1, 2014	**41,808**	**0**	**3,165**	**0**	**44,973**
Currency translation	1,472	0	0	0	1,472
Depreciation for the fiscal year	8,658	0	0	0	8,658
Impairment	6	0	0	0	6
Disposals	–13,508	0	0	0	–13,508
Balance as of September 30, 2015/October 1, 2015	**38,436**	**0**	**3,165**	**0**	**41,601**
Currency translation	89	0	0	0	89
Additions to consolidation group	70	0	0	0	70
Disposals to consolidation group	–214	0	0	0	–214
Depreciation for the fiscal year	9,770	1,235	0	0	11,005
Transfers	18	0	0	0	18
Disposals	–5,916	0	0	0	–5,916
Balance as of September 30, 2016	**42,253**	**1,235**	**3,165**	**0**	**46,653**
Carrying amount as of September 30, 2016	**18,247**	**7,993**	**348,555**	**121**	**374,916**
Carrying amount as of September 30, 2015	**13,900**	**3,706**	**336,523**	**0**	**354,129**

During fiscal 2015/2016, the acquisitions, which mainly relate to commercial patents and licenses for outsourcing projects and own infrastructure, resulted in additions of €4,341k (2014/2015: €5,815k). In addition, an amount of €5,522k (2014/2015: €3,706k) is attributable to the AEVI business unit for internally generated intangible assets relating to the development of new technology in the field of cashless payment.

The net changes in the consolidation group of patents and licenses are mainly attributable to the acquisition of TSG Tankstellen-Support GmbH, Cologne, at €5,054k and to the acquisition of Projective NV, Diegem (Belgium), at €4,209k. The changes in goodwill in the consolidation group are primarily attributable to Projective NV, Diegem (Belgium), with €11,170k as well as to CI Tech Sensors AG, Burgdorf (Switzerland) with €1,516k.

[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, 2014	**51,558**	**53,886**	**305,033**	**13,733**	**4,983**	**429,193**
Currency translation	243	406	3,061	8	39	3,757
Additions	1,708	1,189	33,182	970	2,413	39,462
Transfers	36	712	4,202	0	–4,950	0
Disposals	–108	–1,987	–43,094	–575	0	–45,764
Balance as of September 30, 2015/ October 1, 2015	**53,437**	**54,206**	**302,384**	**14,136**	**2,485**	**426,648**
Currency translation	97	–140	–92	128	1	–6
Additions to consolidation group	5,591	652	41,864	0	30	48,137
Disposals to consolidation group	–54	–6,665	–7,401	0	0	–14,120
Additions	462	1,107	30,777	1,128	3,968	37,442
Transfers	232	0	1,487	0	–2,321	–602
Disposals	–2,433	–6,023	–40,215	–1,912	0	–50,583
Balance as of September 30, 2016	**57,332**	**43,137**	**328,804**	**13,480**	**4,163**	**446,916**
Depreciation						
Balance as of October 1, 2014	**25,351**	**36,956**	**233,414**	**8,539**	**0**	**304,260**
Currency translation	36	298	2,678	–27	0	2,985
Depreciation for the fiscal year	3,069	3,199	33,119	1,935	0	41,322
Impairment	0	1,121	719	0	0	1,840
Disposals	–88	–1,769	–42,503	–528	0	–44,888
Balance as of September 30, 2015/ October 1, 2015	**28,368**	**39,805**	**227,427**	**9,919**	**0**	**305,519**
Currency translation	64	–100	19	112	0	95
Additions to consolidation group	4,875	109	35,844	0	0	40,828
Disposals to consolidation group	–28	–5,104	–7,401	0	0	–12,533
Depreciation for the fiscal year	3,259	4,632	36,221	1,388	0	45,500
Transfers	0	0	–18	0	0	–18
Disposals	–2,345	–5,928	–39,450	–1,658	0	–49,381
Balance as of September 30, 2016	**34,193**	**33,414**	**252,642**	**9,761**	**0**	**330,010**
Carrying amount as of September 30, 2016	**23,139**	**9,723**	**76,162**	**3,719**	**4,163**	**116,906**
Carrying amount as of September 30, 2015	**25,069**	**14,401**	**74,957**	**4,217**	**2,485**	**121,129**

Additions to property, plant and equipment are valued at €37,442k (2014/2015: €39,462k), with large individual elements of this being other fixed assets and office equipment at €30,777k (essentially IT equipment and specialist tools), and equipment under construction at €3,968k.

The net changes in the consolidated group are attributable to newly consolidated or deconsolidated entities. Most notable among these is SecurCash Nederland B.V., Houten (the Netherlands), with additions of €608k in land, buildings, and other equivalent rights and €4,508k in other fixed assets and office equipment. The disposals due to deconsolidation are attributable to Wincor Nixdorf Retail & Banking Systems (Shanghai) Co., Ltd, (China), Wincor Nixdorf Manufacturing (Shanghai) Co., Ltd. (China), and Wincor Engineering Pte. Ltd., Singapore.

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, partially with extension options.

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

€k

	Sept. 30, 2016	Sept. 30, 2015
Residual term up to 1 year	8,313	6,892
Residual term between 1 and 5 years	17,596	18,303
Residual term more than 5 years	1,601	1,538
	27,510	**26,733**

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

As part of the strategic restructuring of business activities in China, on September 29, 2016, Wincor Nixdorf executed the sale agreed on June 21, 2016, of 56.4% of the shares in each of the Chinese companies Wincor Nixdorf Retail & Banking Systems (Shanghai) Co., Ltd., Shanghai (China), and Wincor Nixdorf Manufacturing (Shanghai) Co., Ltd., Shanghai (China), as well as Wincor Engineering Pte. Ltd., Singapore (Singapore), which was newly founded in the fiscal year. The sale caused Wincor Nixdorf to lose its controlling influence, so the companies are no longer fully consolidated as of September 30, 2016. The remaining shares amounting to 43.6% were measured at fair value according to the equity method and recognized at €9,073k in the Group balance sheet. This figure was calculated on the basis of the total sale prices including discounts observable on the market (control premium and fungibility discount).

The result from equity-accounted investments including the elimination of prorated intra-Group profits amounting to €–193k (2014/2015: –€2,022k) primarily includes the contributions of CROWN B.V., Delft, the Netherlands (2014/2015: CROWN B.V., Delft, the Netherlands, and CI Tech Components AG, Burgdorf, Switzerland).

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 net book value amounts to €1,064k as of September 30, 2016 (2014/2015: €1,047k). 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 25% interest in CI Tech Components AG, Burgdorf, Switzerland is accounted for as “Available for sale”. Fair value amounts to €2,512k.

[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, 2016, at their lower of cost and net realizable value, was €29,812k (2014/2015: €29,034k). Write-down of reworkable service parts reported under cost of sales is €6,293k (2014/2015: €2,381k).

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

€k

	Sept. 30, 2016	Sept. 30, 2015
Trade receivables, gross	489,244	530,068
less: allowance for doubtful accounts	–29,804	–28,686
Trade receivables, net	**459,440**	**501,382**

Trade receivables with an amount of €14,406k (2014/2015: €15,919k) become due after one year.

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

€k

	Specific allowances		Portfolio-based allowances		Total	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
Balance as of October 1	25,234	20,269	3,452	4,057	28,686	24,326
Changes in allowances with effect on profit and loss	1,838	4,965	–720	–605	1,118	4,360
Balance as of September 30	**27,072**	**25,234**	**2,732**	**3,452**	**29,804**	**28,686**

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, 2016	**46,970**	**51,535**	**4,277**
September 30, 2015	57,020	57,325	3,273

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 €21,676k (2014/2015: €22,129k). The leasing contracts are originally concluded for a term of up to ten years. Allowances for finance lease receivables amounted to €145k (2014/2015: €162k) in fiscal 2015/2016.

Residual Terms of Present Value of Minimum Lease Payments Receivable.

€k

	Sept. 30, 2016	Sept. 30, 2015
Residual term up to 1 year	7,270	7,577
Residual term between 1 and 5 years	12,006	14,498
Residual term more than 5 years	2,400	54
	21,676	**22,129**

Residual Terms of Total Gross Investment in the Lease.

€k

	Sept. 30, 2016	Sept. 30, 2015
Residual term up to 1 year	7,978	8,462
Residual term between 1 and 5 years	12,991	15,728
Residual term more than 5 years	2,419	55
Unearned finance income	–1,712	–2,116
Present value of minimum lease payments receivable	**21,676**	**22,129**

Other receivables and other assets comprise the following:

€k

	Sept. 30, 2016		Sept. 30, 2015	
	Total	due > 1 year	Total	due > 1 year
Receivables from related companies	65,272	0	7,112	0
Receivables from affiliated companies	11,475	0	0	0
Current income tax assets	16,558	0	10,917	0
Other assets	117,861	11,781	68,159	8,660
	211,166	**11,781**	**86,188**	**8,660**

Other assets include the following items:

€k

	Sept. 30, 2016		Sept. 30, 2015	
	Total	due > 1 year	Total	due > 1 year
Sales tax	24,379	0	24,088	0
Surplus of plan assets	898	898	1,155	1,155
Prepaid expenses	29,610	4,153	25,074	4,341
Other	6,032	0	6,774	0
Other non-financial assets	**60,919**	**5,051**	**57,091**	**5,496**
Forward currency transactions	5,118	0	1,243	0
Receivables from employees	1,089	89	1,822	52
Other	50,735	6,641	8,003	3,112
Other financial assets	**56,942**	**6,730**	**11,068**	**3,164**
	117,861	**11,781**	**68,159**	**8,660**

The other financial assets include receivables in connection with the sale of previously consolidated subsidiaries amounting to €36,844k (previous year: €0k).

[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, 2016, these items include deferred tax assets of €44,712k (2014/2015: €47,908k) and deferred tax liabilities of €9,126k (2014/2015: €23,229k), after netting off deferred tax liabilities with deferred tax assets. Deferred tax assets of €1,490k (2014/2015: €6,536k) 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, 2016	Sept. 30, 2015
Raw materials and supplies	62,787	76,334
Unfinished goods	18,545	23,250
Finished goods and merchandise	257,016	225,678
Advances made	1,314	1,255
	339,662	**326,517**

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, 2016, at their lower of cost and net realizable value, was €103,232k (2014/2015: €116,519k). Inventory impairment reported under cost of sales is €9,333k (2014/2015: €5,795k).

[15] Cash and Cash Equivalents. The cash in hand of €9,004k (2014/2015: €3,396k) mainly includes test cash for automated teller machines and cash in connection with customer contracts. Bank balances add up to €76,050k (2014/2015: €32,850k). Checks amount to €282k (2014/2015: €1,592k).

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

Distributions. The distribution of the dividend for fiscal 2015/2016 is calculated on the basis of the profit for the period of €101,887k. Around 50% of this shall be distributed to shareholders in the form of a dividend.

Therefore, a dividend of €1.71 (2014/2015: €0.00) per entitled share is being proposed to the Supervisory Board for the year under review. On the date this report was approved by the Board of Directors, this equated to a distribution of €50,986k. In relation to the closing price on September 30, 2016, of €66.54, the dividend yield is 2.57%. The dividend will be paid directly in accordance with legal provisions and subject to approval at the AGM in January 2017.

According to the German Stock Corporation Act, the distributable dividend is calculated according to retained earnings, which is reported in the annual financial statements of Wincor Nixdorf AG prepared according to the provisions of the German Commercial Code. As of September 30, 2016, Wincor Nixdorf AG's retained earnings amounted to €374,269k. The retained earnings of €323,284k not being distributed will be carried forward to new account.

No distribution to the shareholders of Wincor Nixdorf AG was carried out during fiscal 2015/2016.

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.

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, 2016, 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:

Balance as of October 1, 2015/ September 30, 2016	29,816,211
Weighted average of shares in fiscal 2015/2016	29,816,211

Treasury Shares. As of September 30, 2016, 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 €173,712k, amounting to €111k 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, and as detailed in the authorization resolved by the AGM on January 20, 2014, in the version amended by AGM resolution on January 25, 2016. 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.

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" 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.

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

Tax Effects Other Comprehensive Income. €k

	2015/2016			2014/2015		
	Gross result	Taxes	Net result	Gross result	Taxes	Net result
Cash flow hedges	8,266	–2,403	5,863	6,978	–2,093	4,885
Exchange rate changes - reclassified to profit or loss	–13,648	0	–13,648	12,345	0	12,345
Actuarial gains and losses	–36,322	9,326	–26,996	–6,139	–6,375	–12,514
Other comprehensive income	**–41,704**	**6,923**	**–34,781**	**13,184**	**–8,468**	**4,716**

[17] Non-controlling Interests. All non-controlling interests are presented in detail in the "Changes in Group Equity" table.

The major non-controlling interests are the shares in the AEVI subgroup. The parent company is AEVI International GmbH, Paderborn. As AEVI has non-controlling interests for the first time in fiscal 2015/2016, only financial information for the current fiscal year is shown. The summarized financial information according to IFRS constitutes information before eliminations between the other entities of the Group:

AEVI subgroup €k

	2015/2016
Net sales	78,658
Profit for the period	1,799
Profit attributable to non-controlling interests	240

	Sept. 30, 2016
Non-current assets	8,520
Current assets	58,518
Non-current liabilities	10,920
Current liabilities	23,162
Net assets	**32,956**
Net assets of non-controlling interests	20,411

[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, 2016	Sept. 30, 2015
Present value of unfunded obligations	55,863	45,619
Present value of funded obligations	498,615	276,861
Fair value of plan assets	–472,991	–240,373
Effect of the asset ceiling	201	0
Net defined benefit liability	**81,688**	**82,107**
Therein amount recognized as asset	898	1,155
Accruals for pensions and similar commitments	**82,586**	**83,262**

The over-funding (amount recognized as asset) of €898k (2014/2015: €1,155k) is presented under other non-current assets.

Defined benefit plans. The significant defined benefit plans are arranged for employees in Germany, the Netherlands and in Switzerland. There are inter alia also defined benefit plans in the United Kingdom, Belgium and France. 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 the Netherlands, there is an average career salary plan, which is employer- and employee-financed and handled by an external fund. 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. During fiscal 2015/2016, the CTA plan assets were funded with an additional €30,000k (2014/2015: €0k) in the form of cash.

In the Netherlands, the plan assets are currently invested in a company pension fund. A transfer to an industry-wide pension fund is planned for the next fiscal year. 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 weighted average duration of the defined benefit plans is 16 years (2014/2015: 10 years). The increase in the duration is due to the first-time inclusion of the pension plan of SecurCash Nederland B.V. in the Netherlands, which was acquired in fiscal 2015/2016.

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 return on plan assets.

Change in Defined Benefit Obligation. €k

	Sept. 30, 2016	Sept. 30, 2015
Present value of defined benefit obligation as of October 1	322,480	308,257
Current service cost	9,381	7,958
Past service cost	–4,499	–388
Effects from settlements	–431	–193
Interest cost	10,279	6,665
Effect of changes in demographic assumptions	–675	–166
Effect of changes in financial assumptions	82,983	4,367
Effect of experience adjustments	–2,509	2,024
Pension payments	–14,120	–9,605
Settlement payments from plan	–2,718	–585
Member contributions	2,451	1,566
Taxes and insurance premiums	–49	–81
Divestitures/transfers	154,926	–1,246
Exchange rate differences	–3,021	3,907
Present value of defined benefit obligation as of September 30	**554,478**	**322,480**

Change in Plan Assets. €k

	Sept. 30, 2016	Sept. 30, 2015
Fair value of plan assets as of October 1	240,373	231,561
Interest income	9,108	5,087
Return on plan assets (excluding interest income)	32,826	657
Member contributions	2,043	785
Employer contributions	4,695	1,867
Transfer to pension trust	30,000	0
Pension payments	–3,273	–700
Settlement payments from plan	0	–585
Taxes and insurance premiums	–962	–81
Divestitures/transfers	161,078	–1,246
Exchange rate differences	–2,897	3,028
Fair value of plan assets as of September 30	**472,991**	**240,373**

For fiscal 2016/2017, employer contributions to plan assets in the amount of €3,448k are expected.

Plan assets were invested in the following assets:

in %

	Sept. 30, 2016	Sept. 30, 2015
Equity instruments	9.9	3.1
Debt instruments	46.0	30.9
Investment funds	12.1	22.4
Real estate funds	1.9	0.0
Assets held by insurance company	6.2	11.5
Real estate	4.1	6.0
Other capital investments	1.7	0.0
Short-term financial investments	18.1	26.1

Plan assets do not contain any own financial instruments. The real estate is primarily not used by the Group. Shares, debt instruments, investment funds, real estate funds and other investments 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, 2016	Sept. 30, 2015
Effect of the asset ceiling as of October 1	0	0
Interest expense	10,638	0
Changes in asset ceiling (excluding interest expense)	293	0
Exchange rate differences	–10,730	0
Effect of the asset ceiling as of September 30	**201**	**0**

The effect of the asset ceiling results from the defined benefit plan acquired in the fiscal year in the Netherlands. In the wake of the acquisition of this pension plan, defined benefit obligations of €137,575k and plan assets of €148,213k have been added.

Net Defined Benefit Liability Reconciliation. €k

	Sept. 30, 2016	Sept. 30, 2015
Net defined benefit liability as of October 1	82,107	76,696
Pension expenses	6,466	8,955
Actuarial gains/losses	47,334	5,568
Changes in asset ceiling (excluding interest expense)	–10,730	0
Pension payments	–10,847	–8,905
Settlement payments from plan	–2,718	0
Member contributions	408	781
Employer contributions	–4,695	–1,867
Transfer to pension trust	–30,000	0
Divestitures/transfers	4,486	0
Exchange rate differences	–123	879
Net defined benefit liability as of September 30	**81,688**	**82,107**

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:

in %

	Sept. 30, 2016	Sept. 30, 2015
Discount rate	1.2	2.0

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. The 2005G Heubeck Tables are used in Germany, the BVG 2015 tables in Switzerland and the AG2014HM projection tables in the Netherlands.

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, 2016:

€ million

	Increase	Decrease
Change in discount rate by 0.25 percentage points	–20	22

Pension Expenses. €k

	2015/2016	2014/2015
Current service cost	9,381	7,958
Past service cost	–4,499	–388
Effects from settlements	–431	–193
Net Interest	1,460	1,578
Tax and administration costs	551	0
Pension expenses	**6,462**	**8,955**

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 €24,863k (2014/2015: €27,215k).

[19] Other Accruals.

€k

	Oct. 1, 2015	Currency variances/ transfers	Drawdowns	Releases	Additions	Accumulation	Sept. 30, 2016
Non-current other accruals							
Personnel obligations	5,341	–5,157	–3,050	–287	11,423	271	8,541
Environmental protection obligations	6,266	–797	0	0	419	0	5,888
Warranties	1,312	1,058	–196	–52	88	0	2,210
Onerous contracts	4,025	0	0	–4,025	0	0	0
Other miscellaneous accruals	801	3,882	0	0	508	96	5,287
Total non-current other accruals	**17,745**	**–1,014**	**–3,246**	**–4,364**	**12,438**	**367**	**21,926**
Current other accruals							
Current accruals associated with sales and procurement markets							
Warranties	41,707	–885	–18,776	–6,931	20,334	0	35,449
Onerous contracts	11,308	11	–8,848	–1,387	6,126	41	7,251
Delay and contract penalties	6,776	587	–2,641	–1,216	1,844	0	5,350
Miscellaneous	26,024	–3,407	–6,333	–9,355	9,179	0	16,108
Total current accruals associated with sales and procurement markets	**85,815**	**–3,694**	**–36,598**	**–18,889**	**37,483**	**41**	**64,158**
Accruals for personnel obligations	71,101	1,839	–38,115	–5,200	56,974	0	86,599
Accruals for other taxes	624	–78	–108	0	876	0	1,314
Other miscellaneous accruals	13,429	–7	–7,440	–1,851	19,180	148	23,459
Total current other accruals	**170,969**	**–1,940**	**–82,261**	**–25,940**	**114,513**	**189**	**175,530**
Total other accruals	**188,714**	**–2,954**	**–85,507**	**–30,304**	**126,951**	**556**	**197,456**

Other provisions include restructuring costs for personnel in the amount of €27,412k (2014/2015: €29,362k).

The accruals for personnel 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 German 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 current miscellaneous accruals contain obligations associated with pending legal proceedings and accruals for costs associated with year-end closing.

[20] Liabilities.

				€k
		Residual term		
	Total	up to 1 year	between 1 and 5 years	more than 5 years
Financial liabilities	77,929 (177,791)	76,424 (112,128)	1,505 (65,663)	0 (0)
Financial liabilities to affiliated companies	58,249 (0)	0 (0)	58,249 (0)	0 (0)
Advances received	16,457 (20,703)	16,457 (20,703)	0 (0)	0 (0)
Trade payables	344,239 (338,128)	344,231 (338,128)	8 (0)	0 (0)
Liabilities to affiliated companies	570 (0)	570 (0)	0 (0)	0 (0)
Liabilities to related companies	30,985 (2,438)	30,985 (2,438)	0 (0)	0 (0)
Current income tax liabilities	40,982 (39,959)	40,982 (39,959)	0 (0)	0 (0)
Other liabilities	375,627 (241,570)	258,168 (221,919)	112,759 (19,651)	4,700 (0)
	945,038 (820,589)	**767,817** (735,275)	**172,521** (85,314)	**4,700** (0)

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.

Following the business combination with Diebold, Inc., a contract for a revolving credit facility of €300,000k with a term until August 8, 2021, was concluded on August 8, 2016, with Diebold Self-Service Solutions S.A.R.L. This loan replaces the revolving credit facility of €300,000k that was canceled at the end of August 2016 by the joint borrowers Wincor Nixdorf AG and WINCOR NIXDORF International GmbH. As of the balance sheet date, €58,249k had been drawn from 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. Thereof €20,000k have been repaid in the current fiscal year, leaving a remaining obligation of €65,000k at the end of the fiscal year. The liabilities to banks of €65,000k (2014/2015: €85,000k) have a remaining term of less than one year, as the EIB loan expected to be repaid early in spring 2017.

Bank liabilities as of the balance sheet date came to a total of €65,000k (2014/2015: €176,664k), which is attributable exclusively to the loan from the European Investment Bank.

Liabilities from finance leases amount to €550k (2014/2015: €1,127k) 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 €488k (2014/2015: €1,039k).

Residual Terms of Present Value of Minimum Lease Payments.

		€k
	Sept. 30, 2016	Sept. 30, 2015
Residual term up to 1 year	345	464
Residual term between 1 and 5 years	205	663
	550	**1,127**

Residual Terms of Future Total Minimum Lease Payments.

		€k
	Sept. 30, 2016	Sept. 30, 2015
Residual term up to 1 year	383	554
Residual term between 1 and 5 years	213	716
Interest	–46	–143
Present value of minimum lease payments	**550**	**1,127**

Other Liabilities.

Breakdown of Other Liabilities. €k

		Residual term		
	Total	up to 1 year	between 1 and 5 years	more than 5 years
Deferred income	167,909 (118,057)	114,007 (105,246)	53,902 (12,811)	0 (0)
Other tax liabilities	28,843 (35,821)	28,843 (35,821)	0 (0)	0 (0)
Social security liabilities	7,624 (8,848)	7,624 (8,848)	0 (0)	0 (0)
Other non-financial liabilities	**204,376** (162,726)	**150,474** (149,915)	**53,902** (12,811)	**0** (0)
Liabilities to employees	71,396 (41,289)	71,396 (41,289)	0 (0)	0 (0)
Interest rate derivatives	8,134 (6,840)	0 (0)	8,134 (6,840)	0 (0)
Forward currency transactions	2,572 (7,980)	2,572 (7,980)	0 (0)	0 (0)
Liabilities for share-based payment	24,639 (0)	13,526 (0)	11,113 (0)	0 (0)
Put-option of non-controlling interests	46,710 (0)	2,400 (0)	39,610 (0)	4,700 (0)
Others	17,800 (22,735)	17,800 (22,735)	0 (0)	0 (0)
Other financial liabilities	**171,251** (78,844)	**107,694** (72,004)	**58,857** (6,840)	**4,700** (0)
	375,627 (241,570)	**258,168** (221,919)	**112,759** (19,651)	**4,700** (0)

Last year's equivalent figures are shown in brackets.
Further explanatory notes on the other financial liabilities are to be found in Note 21.

Share-based Payment Program. Wincor Nixdorf has set up 13 share-based payment programs for managers since 2004 (2004 - 2016). The following conditions have to be applied to programs 2013 to 2015:

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 22, 2013 (program 2013), March 26, 2014 (program 2014) and March 25, 2015 (program 2015) (program 2013: €38.57, program 2014: €56.20, program 2015: €43.93); 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. 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. Basically, the holder of the option has to remain in the Company's employ until the end of the vesting period.

In addition, another share-based payment program for managers (share-based payment program 2016) was issued on April 12, 2016, with 714,470 share options at an exercise price of €59.49. 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 of the share on the 10 stock exchange trading days immediately after Diebold, Inc.'s public announcement of the successful takeover bid, which immediately followed the issue of stock options on April 12, 2016 (€53.12); 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. 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. Basically, the holder of the option has to remain in the Company's employ until the end of the vesting period.

Previously, all share-based payment programs were classified and accounted for as equity-settled. Due to the implementation of the arrangements made in the business combination agreement with Diebold, Inc. – after the successful fulfilment of the minimum acceptance conditions of Diebold, Inc.'s offer to shareholders of Wincor Nixdorf AG in the third quarter of fiscal 2015/2016 – they were reclassified as an obligation to settle in cash.

Please refer to the disclosure under "Share option reclassification" in the "Changes in Group Equity" table. Until each obligation is settled, the fair value will be remeasured on each reporting date and added in instalments over time. Changes resulting from the measurement will be recognized through profit or loss.

The fair values of the ongoing share-based payment programs were calculated by an external expert using the Black-Scholes-Merton formula.

The underlying assumptions for the ongoing programs are as follows:

	Program 2016	Program 2015	Program 2014	Program 2013
Granted share options	714,470	717,048	678,361	774,806
Exercise price of the option at grant date	€59.49	€49.20	€62.94	€43.20
Expected volatility	32.17%	32.17%	32.17%	32.17%
Option life	4 years	4 years	4 years	4 years
Expected dividends	€8.81	€6.15	€3.68	€1.57
Risk-free interest rate	0.01%	0.01%	0.01%	0.01%
Fluctuation rate	2.8%	2.8%	2.8%	2.8%

The total expenses recognized in the reporting period for all ongoing share-based payment programs amount to €24,273k (2014/2015: €5,068k). In addition to the expenses for the measurement of the ongoing share-based payment programs as of the reporting date, these total expenses also include the expenses from the measurement of the 2012 share-based payment program that expired in March. The overall obligation from the ongoing share-based payment programs 2013 - 2016, recognized as a financial liability, totals €24,639k.

Share options reported as of September 30, 2016, consist of options from share-based payment programs 2013 to 2016. The program 2013 will expire in March 2017, the program 2014 in March 2018, the program 2015 in March 2019 and the program 2016 in March 2020. The weighted average residual term of the programs is about 2 years.

The vesting period for the 2012 share-based payment program expired on March 30, 2016. Of the 699,725 stock options issued, 580,025 options have been exercised. The exercise price, including dividends, was €40.74. In line with the requirements for determining the relevant share price and adjusting the exercise period for the 2012 tranche, which were amended by an AGM resolution of January 25, 2016, under agenda items 9 c) and 9 d), the relevant share price was calculated on the basis of the unweighted average of the share price in the Xetra trading system at the Frankfurt Stock Exchange in the closing auction of the 10 trading days directly following the publication on March 29, 2016, of the announcement of the successful takeover bid by Diebold, Inc.. It amounts to €53.12. The resulting profit per option is €12.38. The options were settled in cash.

The expected volatility was calculated as the average of the historic volatilities of EUREX options to the Wincor Nixdorf share for 3-month and 12-month periods.

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

	2015/2016		2014/2015	
		Average exercise price		Average exercise price
	Number	€	Number	€
As of October 1	2,609,010	50.13	2,524,329	53.83
Granted during the period	714,470	59.49	717,048	49.20
Exercised during the period	580,025	45.02	0	–
Expired during the period	78,500	53.21	632,367	63.84
As of September 30	**2,664,955**	**53.66**	**2,609,010**	**50.13**
Exercisable as of September 30	0	–	0	–

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 as well as put options for non-controlling interests, 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, 2016 €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	85,336	0	85,336	0	0	0	85,336
Trade receivables	LaR / n/a	459,440	0	437,764	0	0	21,676	459,440
thereof: receivables from finance leases	n/a	21,676	0	0	0	0	21,676	21,676
Receivables from affiliated companies	LaR	11,475	0	11,475	0	0	0	11,475
Receivables from related companies	LaR	65,272	0	65,272	0	0	0	65,272
Other receivables	LaR / n/a / HfT	117,861	65,953	51,824	5,034	84	0	51,908
thereof: derivatives with a hedging relationship	n/a	5,034	5,034	0	5,034	0	0	0
thereof: derivatives without a hedging relationship	HfT	84	0	0	0	84	0	84
Investments	LaR/FVO/AfS	3,714	0	2,650	0	1,064	0	3,714
Liabilities								
Trade payables	FLAC	344,239	0	344,239	0	0	0	344,239
Liabilities to affiliated companies	FLAC	570	0	570	0	0	0	570
Liabilities to related companies	FLAC	30,985	0	30,985	0	0	0	30,985
Financial liabilities	FLAC / n/a	77,929	0	77,379	0	0	550	77,929
thereof: liabilities from finance leases	n/a	550	0	0	0	0	550	550
Financial liabilities to affiliated companies	FLAC	58,249	0	58,249	0	0	0	58,249
Other liabilities	FLAC / n/a / HfT	375,627	229,015	89,196	54,844	2,572	0	146,612
thereof: other non-interest-bearing liabilities	FLAC / n/a	317,813	229,015	88,798	0	0	0	88,798
thereof: other interest-bearing liabilities	FLAC	398	0	398	0	0	0	398
thereof: Put-option of non-controlling interests	n/a	46,710	0	0	46,710	0	0	46,710
thereof: derivatives with a hedging relationship	n/a	8,333	0	0	8,134	199	0	8,333
thereof: derivatives without a hedging relationship	HfT	2,373	0	0	0	2,373	0	2,373
Aggregated by Category in Accordance with IAS 39								
Loans and receivables	LaR	651,671	0	651,671	0	0	0	651,671
Available-for-sale financial assets	AfS	2,650	0	2,650	0	0	0	2,650
Financial assets and liabilities measured at fair value through profit or loss (Fair Value Option)	FVO	1,064	0	0	0	1,064	0	1,064
Financial assets measured at fair value through profit or loss (Held for Trading)	HfT	84	0	0	0	84	0	84
Financial liabilities measured at fair value through profit or loss (Held for Trading)	HfT	2,373	0	0	0	2,373	0	2,373
Financial liabilities measured at amortized cost	FLAC	600,618	0	600,618	0	0	0	600,618

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, 2015 €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	37,838	0	37,838	0	0	0	37,838
Trade receivables	LaR / n/a	501,382	0	479,253	0	0	22,129	501,382
thereof: receivables from finance leases	n/a	22,129	0	0	0	0	22,129	22,129
Receivables from related companies	LaR	7,112	0	7,112	0	0	0	7,112
Other receivables	LaR / n/a / HfT	68,159	57,428	10,129	641	602	0	10,731
thereof: derivatives with a hedging relationship	n/a	641	641	0	641	0	0	0
thereof: derivatives without a hedging relationship	HfT	602	0	0	0	602	0	602
Investments	LaR /FVO/AfS	1,190	0	143	0	1,047	0	1,190
Liabilities								
Trade payables	FLAC	338,128	0	338,128	0	0	0	338,128
Liabilities to related companies	FLAC	2,438	0	2,438	0	0	0	2,438
Financial liabilities	FLAC / n/a	177,791	0	176,664	0	0	1,127	177,791
thereof: liabilities from finance leases	n/a	1,127	0	0	0	0	1,127	1,127
Other liabilities	FLAC / n/a / HfT	241,570	174,078	64,023	11,352	3,469	0	67,492
thereof: other non-interest-bearing liabilities	FLAC / n/a	226,749	162,726	64,023	0	0	0	64,023
thereof: derivatives with a hedging relationship	n/a	11,352	11,352	0	11,352	0	0	0
thereof: derivatives without a hedging relationship	HfT	3,469	0	0	0	3,469	0	3,469
Aggregated by Category in Accordance with IAS 39								
Loans and receivables	LaR	534,373	0	534,373	0	0	0	534,373
Available-for-sale financial assets	AfS	102	0	102	0	0	0	102
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	602	0	0	0	602	0	602
Financial liabilities measured at fair value through profit or loss (Held for Trading)	HfT	3,469	0	0	0	3,469	0	3,469
Financial liabilities measured at amortized cost	FLAC	581,253	0	581,253	0	0	0	581,253

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, 2016:

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	5,034 (641)	0 (0)	5,034 (641)	0 (0)
Financial assets at fair value - affecting net income				
Designated as such upon initial recognition	1,064 (1,047)	0 (0)	0 (0)	1,064 (1,047)
Derivatives not being part of a hedge	84 (602)	0 (0)	84 (602)	0 (0)
Financial liabilities at fair value - not effecting net income				
Derivatives being part of a hedge	8,333 (11,352)	0 (0)	8,333 (11,352)	0 (0)
Put-option of non-controlling interests	46,710 (0)	0 (0)	0 (0)	46,710 (0)
Financial liabilities at fair value - affecting net income				
Derivatives not being part of a hedge	2,373 (3,469)	0 (0)	2,373 (3,469)	0 (0)

Last year's figures are shown in brackets.

If reclassifications between the fair value measurement levels are made, they are recorded at the end of the reporting period in which they occurred. Neither during the fiscal year 2015/2016 nor in the previous year, there have been reclassifications between the fair value measurement levels.

The asset 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 effect on the profit or loss is presented in the financial result.

Put options for non-controlling interests in the amount of the present value of the exercise price are presented without any effect on profit or loss against retained earnings as a financial liability as level 3. The measurement is derived from expected net sales contributions, operating profit (EBITA) as well as weighted average cost of capital (WACC).

The following table shows the reconciliation from the opening balance to the ending balance fair values of level 3 instruments:

€k	Oct. 1, 2015	resulting in profit or loss	resulting in neither profit or loss	Sept. 30, 2016
6% interest in WINCOR NIXDORF Immobilien GmbH & Co. KG	1,047	17	–	**1,064**
Put-option of non-controlling interests	0	–	46,710	**46,710**

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.

The measurement of level 3 put options for non-controlling interests is based on a discounted cash flow model. The sensitivity analysis of the significant unobservable inputs used in the fair value measurement is as follows:

€k	resulting in neither profit or loss	
	Increase	Decrease
Growth rate expected net sales contribution (change +/- 5%)	1,190	–1,190
Operating profit (EBITA - change +/- 5%)	930	–930
WACC (change +/- 1%)	–870	820

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.

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, other receivables, and investments are not past due and not impaired.

„Available-for-Sale Financial Assets“ measured at cost include investments in non-consolidated subsidiaries and other investments.

The net gains and losses from financial instruments by IAS 39 category are shown in the following table:

Net Gain/Loss by Category. €k

	2015/2016	2014/2015
Loans and receivables	–8,323	–5,680
Financial assets measured at fair value through profit or loss (fair value option)	17	0
Financial assets and liabilities measured at fair value through profit or loss (held for trading)	–4,168	13,900
Financial liabilities measured at amortized cost	–2,004	–9,925
	–14,478	**–1,705**

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

	2015/2016	2014/2015
Total interest income	1,899	350
Total interest expenses	–4,036	–4,445
	–2,137	**–4,095**

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 2015/2016 and 2014/2015, 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.

Financial Assets and Financial Liabilities from Derivatives that are subject to Netting, Collateral or Other Similar Arrangements.

€k

	Gross value in balance sheet		Potential offsetting value		Net value	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
Financial assets	**5,118**	1,243	**210**	622	**4,908**	621
Financial liabilities	**10,706**	14,821	**210**	622	**10,496**	14,199

Potential netting arrangements are based on the German master agreement for financial forward transactions.

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 €85,336k (2014/2015: €37,838k).

As described in more detail in the section on financial liabilities, the revolving credit facility in place at the end of fiscal 2014/2015 was canceled by the joint borrowers in August 2016. Following the business combination with Diebold, Inc., a contract for a revolving credit facility of €300,000k was concluded on August 8, 2016 with Diebold S.A.R.L. As of the balance sheet date, €58,249k had been drawn from the revolving credit facility.

As of September 30, 2016, Wincor Nixdorf had unused credit facilities amounting to €336,761k (2014/2015: €493,763k), of which €95,000k (2014/2015: €193,763k) is attributable to unutilized overdraft facilities and €241,761k (2014/2015: €0k) to the revolving credit facility from Diebold (2014/2015: revolving bank credit facility of €300,000k). Wincor Nixdorf's liquidity risk can be classified as very low overall.

The financial liabilities are expected to result in the following (undiscounted) payments in the next years:

€k

	Gross value Sept. 30, 2016	Cash flows 2015/2016	Cash flows 2016/2017 – 2019/2020	Cash flows from 2020/2021
Trade payables	344,239	344,231	8	0
Liabilities to affiliated companies	570	570	0	0
Liabilities to related companies	30,985	30,985	0	0
Financial liabilities	77,975	76,311	1,664	0
thereof: liabilities from finance leases	596	383	213	0
Financial liabilities to affiliated companies	58,249	0	58,249	0
Other liabilities	146,814	95,743	46,371	4,700
thereof: other non-interest-bearing liabilities	88,798	88,798	0	0
thereof: other interest-bearing liabilities	398	398	0	0
thereof: Put-option of non-controlling interests	46,710	2,400	39,610	4,700
thereof: derivatives with a hedging relationship	8,535	1,774	6,761	0
thereof: derivatives without a hedging relationship	2,373	2,373	0	0
Total	**658,832**	**547,840**	**106,292**	**4,700**

€k

	Gross value Sept. 30, 2015	Cash flows 2014/2015	Cash flows 2015/2016 – 2018/2019	Cash flows from 2019/2020
Trade payables	338,128	338,128	0	0
Liabilities to related companies	2,438	2,438	0	0
Financial liabilities	179,830	113,233	66,597	0
thereof: liabilities from finance leases	1,270	594	676	0
Other liabilities	78,958	73,534	5,424	0
thereof: other non-interest-bearing liabilities	64,024	64,024	0	0
thereof: derivatives with a hedging relationship	11,465	6,041	5,424	0
thereof: derivatives without a hedging relationship	3,469	3,469	0	0
Total	**599,354**	**527,333**	**72,021**	**0**

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 analyses and amounts determined by means of sensitivity analyses 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 €119,973k (2014/2015: €121,895k). 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 currency forward contracts designated to the cash flow hedge accounting hedge expected forward currency transactions for the coming twelve months. The corresponding fair values, which are determined by market prices, amount to €5,034k and –€199k (2014/2015: €641k and –€4,512k) 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 €1,752k (2014/2015: €17,650k) of forward currency transactions existing at the end of the previous fiscal year was recognized in profit or loss under cost of sales.

The remaining net currency risk not hedged by forward currency transactions amounts to approximately 16 million U.S. dollars (2014/2015: approximately 19 million U.S. dollars) as well as approximately 10 million pounds sterling (2014/2015: approximately 11 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, 2016, the other components of equity (before deferred taxes) and the fair value of forward currency transactions would have been €4,268k higher, and €5,116k lower, respectively (2014/2015: €6,264k higher, and €7,585k lower, respectively). If the euro had been revalued and devalued respectively by 10% against pounds sterling as of September 30, 2016, the other components of equity (before deferred taxes) and the fair value of forward currency transactions would have been €4,259k higher, and €5,200k lower, respectively (2014/2015: €5,157k higher, and €6,298 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. The interest swap designated to the cash flow hedge accounting hedges interest payments for the coming four years. 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 –€8,134k (2014/2015: –€6,841k). This interest swap with a clean value of –6,697€ has been directly recognized in the other components of equity, having taken into account deferred taxes. In fiscal 2015/2016, €1,587k (2014/2015: €1,026k) have been reclassified from equity to profit or loss. The remaining net interest risk on financial liabilities not hedged amounts to approximately €73 million and may be, overall, regarded as minor due to the current interest environment.

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 €2,063k and decreased by €2,024k, respectively (2014/2015: increased by €2,503k and decreased by €2,624k, respectively).

[22] Cost of Materials.

€k

	2015/2016	2014/2015
Cost of raw materials, supplies, and bought-in goods	826,419	834,942
Cost of bought-in services	667,973	636,937
	1,494,392	**1,471,879**

The net change in finished and unfinished goods and services amounts to €18,372k (2014/2015: –€1,401k) in the year under review.

[23] Personnel Expenses and Employees.

€k

	2015/2016	2014/2015
Wages and salaries	633,088	574,983
Social security contributions and welfare expenses	90,945	90,358
Retirement benefit expenses	19,895	17,466
	743,928	**682,807**

The average number of employees during the year was 9 446 (2014/2015: 9 187), excluding apprentices. Headcount breakdown by function was as follows:

	2015/2016	2014/2015
Production	1,043	1,193
Sales/Services	7,415	6,964
Research and development	742	734
Administration	246	296
	9,446	**9,187**

[24] Contingent Liabilities. Obligations of €46k (2014/2015: €46k) arising from guarantees are existing at the balance sheet date.

Contingent liabilities amounted to €17,804k (2014/2015: €0k) and reflect potential tax risks.

In addition, Wincor Nixdorf guarantees for customer funds which have been at its premises as of September 30, 2016. At the beginning of the following fiscal year, the customer funds have been paid in to the customers' bank accounts or used for the filling of ATM cassettes of various banks. Any related claims are not expected as a regular reconciliation with the customers is performed. Moreover, in order to cover the risks of possible loss of customer funds, external insurances have been procured.

[25] Other Financial Commitments.

		Residual term		€k
	Total	up to 1 year	between 1 and 5 years	more than 5 years
Future payment commitments from				
real estate leases	87,043 (84,603)	29,765 (29,946)	48,109 (50,673)	9,169 (3,984)
miscellaneous tenancies and leases	28,391 (30,181)	14,335 (12,705)	14,056 (17,476)	0 (0)
long-term purchase and service contracts	20,840 (18,193)	10,088 (12,218)	10,752 (5,975)	0 (0)
property, plant and equipment acquisition of intangible assets and	5,174 (4,357)	5,161 (4,357)	13 (0)	0 (0)
	141,448 (137,334)	**59,349** (59,226)	**72,930** (74,124)	**9,169** (3,984)

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 €59,573k (2014/2015: €56,800k) 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.

In August 2016, Diebold Holding Germany Inc. Co KGaA, Eschborn (in the following "Diebold KGaA", acquired a majority in Wincor Nixdorf AG, Paderborn. On September 26, 2016, the shareholders of Wincor Nixdorf AG at an Extraordinary General Meeting approved a domination and profit and loss transfer agreement (DPLA) with Diebold KGaA, which has not yet been entered into the commercial register. In conjunction with the approved DPLA Diebold, Inc. – without entering into the agreement – separately issued a comfort letter in favor of Wincor Nixdorf AG. By means of this comfort letter Diebold, Inc. commits itself to unlimitedly and irrevocably provide Diebold KGaA with the necessary financial support to fulfill its possible loss compensation obligations according to § 302 AktG against Wincor Nixdorf AG in due time. Wincor Nixdorf AG will be included in the Group financial statements of Diebold, Inc. as of December 31, 2016.

Business relations with affiliated companies.

	Transaction values for the year ended		Balance outstanding as at	
	2015/2016	2014/2015	Sept. 30, 2016	Sept. 30, 2015
Sale of goods and service parts	12,928	–	10,836	–
Administrative and passed on services	1,196	–	639	–
Obtained Services	1,578	–	570	–
Financing	71	–	58,249	–

Compensation of Board of Directors and Supervisory Board. The compensation of the Board of Directors is as follows:

€k	2015/2016	2014/2015
Short-term benefits (without share-based compensation)	5,649	1,905
Share-based compensation	2,404	1,978
Total compensation	**8,053**	**3,883**
Post-employment benefits	305	276
Total	**8,358**	**4,159**

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, 2016, the entitlement to funds of the Board of Directors upon reaching the specified age limit (retirement capital) amounts to €2,942k (2014/2015: €2,514k).

The members of the Board of Directors own 987,271 share options from the share-based payment programs 2013 to 2016 as of September 30, 2016 (2014/2015: 868,721 share options from share-based payment programs 2012 to 2015). As of September 30, 2016, the Supervisory Board held 12,000 share options (2014/2015: no share options).

The compensation of the Supervisory Board is as follows:

In the year under review, the members of the Supervisory Board received fringe benefits amounting to €851k (2014/2015: €765k). 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 €694k (2014/2015: €448k).

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 €123k in fiscal 2015/2016 (2014/2015: €1,623k; included is a compensation of €1,500k for the termination of the employment contract of Jens Bohlen. An amount of €3,328k (2014/2015: €3,174k) is accrued for pension obligations of former members of the Board of Directors and their bereaved.

Business relations with joint ventures and associated companies. The Group has business relations with the joint venture CROWN B.V. Transactions with this related party result from the delivery and service relations in the ordinary course of business. The volume of business relations is minor.

As part of the strategic restructuring of business activities in China trade receivables from associated companies amount to €51,527k as well as finance receivables of €2,314k. Further on, trade payables to associated companies amount to €30,845k.

[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 €85,336k (2014/2015: €37,838k) but also current bank liabilities repayable at any time amounting to €11,078k (2014/2015: €91,664k), as these could be considered in the management of cash.

The output value of the Group cash flow statement is EBITA (earnings before interest, taxes and amortization of goodwill), which amounted to €143,568k in the year under review (2014/2015: €21,851k). Adding amortization and depreciation of property rights, licenses and property, plant and equipment and write-downs on reworkable service parts gives EBITDA of €206,366k (2014/2015: €76,058k).

In addition, the income taxes paid of –€37,482k (2014/2015: –€36,222k), the elimination of the result from the sale of subsidiaries of –€13,836k (2014/2015: €0k), the change in working capital of €15,174 (2014/2015: €45,738k) and the change in accruals of –€43,898k (2014/2015: €16,910k) resulted in cash flow from operating activities of €104,894k (2014/2015: €96,902k). Within cash flow from operating activities, the allocation of €30,000k (2014/2015: €0k) to the CTA also had an effect.

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.

	€k
	Sept. 30, 2016
	Total
Intangible assets and Property, Plant and Equipment	–1,593
Inventories	–18,905
Trade receivables, other receivables and deferred tax assets	–50,144
Cash and cash equivalents	–3,613
Accruals	5,284
Trade payables and other liabilities	45,094
Net assets and liabilites	**–23,877**
Consideration received consisting cash and cash equivalents	19,969
Cash and cash equivalents over which control is lost	–3,614
Net cash and cash equivalents over which control is obtained	**16,355**

[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; "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 2015/2016 and 2014/2015, 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
	2015/2016	2014/2015
Operating profit (EBITA)	**143,568**	**21,851**
Goodwill amortization	0	0
Operating profit (EBIT)	**143,568**	**21,851**
Finance income and finance costs	–4,595	–6,938
Profit before income taxes	**138,973**	**14,913**
Income taxes	–37,086	–7,141
Profit for the period	**101,887**	**7,772**
Profit attributable to non-controlling interests	–1,451	–1,306
Profit attributable to equity holders of Wincor Nixdorf AG	**100,436**	**6,466**

Reconciliation of Segment Assets and Segment Liabilities.

in T€

	Sept. 30, 2016	Sept. 30, 2015
Segment assets	**1,045,505**	**998,465**
Non-operating miscellaneous intangible assets (goodwill and product know-how)	348,555	336,532
Investments	3,714	1,190
Deferred tax assets	44,712	47,908
Receivables from related companies (exclusive of trade receivables from joint ventures)	12,496	6,234
Current income tax assets	16,558	10,917
Non-operating miscellaneous assets	117,861	68,159
Cash and cash equivalents	85,336	37,838
Assets	**1,674,737**	**1,507,234**
Segment liabilities	**559,228**	**479,210**
Equity	440,531	391,440
Accruals for pensions and similar commitments	82,586	83,262
Other accruals	197,456	188,714
Financial liabilities	77,929	177,791
Deferred tax liabilities	9,126	23,229
Financial liabilities to affiliated companies	58,249	
Financial liabilities to related companies	931	116
Current income tax liabilities	40,982	39,959
Non-operating miscellaneous liabilities	207,719	123,513
Equity and Liabilities	**1,674,737**	**1,507,234**

Non-operating miscellaneous liabilities include other liabilities without deferred income.

[29] Consolidation Group as of September 30, 2016.

Fully consolidated subsidiaries	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 Global Logistics 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
AEVI International GmbH, Paderborn	86.64
Bankberatung Organisations- und IT-Beratung für Banken AG, Hannover	92.54
IP Management GmbH, Paderborn	100
Prosystems IT GmbH, Bonn	100
TSG Tankstellen-Support GmbH, Köln	100[1)]

Europe	
Austria	
Wincor Nixdorf GmbH, Vienna	100
Belgium	
Wincor Nixdorf N.V., Zaventem	100
Projective NV, Diegem	53.07[1)]
W.I.K Consulting BVBA, Diegem	53.07[1)]

Fully consolidated subsidiaries	Capital share in %
Czech Republic	
Wincor Nixdorf s.r.o., Prague	100
WN CZ RETAIL SOLUTIONS s.r.o., Prague	100
Aevi CZ s.r.o., Praha	86.64
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
Aevi UK Limited, Bracknell, Berkshire	86.64
Projective London Ltd., London	53.07[1)]
Greece	
Wincor Nixdorf Information Systems S.A., Kifisia/ 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. Julian´s	100
Wincor Nixdorf Finance Malta Limited, St. Julian´s	100
Norway	
Wincor Nixdorf A/S, Oslo	100
Poland	
TSG Sp. z o.o., Krakow	100[1)]
Wincor Nixdorf Sp.z.o.o., Warsaw	100
Portugal	
Wincor Nixdorf Lda., Carnaxide	100
Russia	
LLC WINCOR NIXDORF, Moscow	100[1)]
Wincor Nixdorf Oil & Gas IT LLC, Moscow	49.9[1)]
Slovakia	
WINCOR NIXDORF s.r.o., Bratislava	100
Sweden	
Wincor Nixdorf AB, Solna	100
Switzerland	
BEB Industrie- Elektronik AG, Burgdorf	100
CI Tech Sensors AG, Burgdorf	75[1)]
Wincor Nixdorf Finance AG, Baar	100
Wincor Nixdorf AG, Brüttisellen	100
Spain	
Wincor Nixdorf S.L., Madrid	100
Dynasty Technology Group, S.A.U., Madrid	100
The Netherlands	
Projective Biz B.V., Den Haag	53.07[1)]
SecurCash B.V., Rotterdam	100
SecurCash Geldverwerking B.V., Houten	100
SecurCash Nederland B.V., Houten	100
Wincor Nixdorf B.V., Delft	100
WINCOR NIXDORF Global Solutions B.V., Utrecht	100
WINCOR NIXDORF Software Partner B.V., Utrecht	100
WINCOR NIXDORF Software CV, Utrecht	100
Turkey	
Wincor Nixdorf Bilgisayar Sistemleri A.S., Kadikoy/ Istanbul	100

Fully consolidated subsidiaries	Capital share in %
Ukraine	
LIMITED LIABILITY COMPANY WINCOR NIXDORF, Kiev	100[1)]

Americas	
Brazil	
Wincor Nixdorf Soluções em Tecnologia da Informação Ltda., Atibaia/São Paulo	100
Dynasty Technology Brasil Software Ltda., Barueri/ São Paulo	100[1)]
Canada	
Wincor Nixdorf Canada Inc., Mississauga/Ontario	100
Mexico	
Wincor Nixdorf IT Support S.A. de C.V., Mexico City	99.998[1)]
Wincor Nixdorf S.A. de C.V., Mexico City	100[1)]
USA	
Wincor Nixdorf Inc., Austin	100
Venezuela	
Wincor Nixdorf C.A., Caracas	100
IT SOLUCIONES INTEGRALES, C.A., Barquisimeto	100

Asia-Pacific	
Australia	
WINCOR NIXDORF AUSTRALIA PTY LTD, Frenchs Forest/Sydney	100
China	
Wincor Nixdorf (Hong Kong) Ltd., New Territories/ Hong Kong	100
India	
Wincor Nixdorf India Private Ltd., Mumbai	100
Indonesia	
PT. Wincor Nixdorf Indonesia, Jakarta Selatan	100
Malaysia	
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
Taiwan	
Wincor Nixdorf Taiwan Ltd., Taipei	100
Thailand	
Wincor Nixdorf (Thailand) Co., Ltd., Bangkok	100

Africa	
Algeria	
EURL WINCOR NIXDORF, Algier	100[1)]
Morocco	
Wincor Nixdorf S.A., Casablanca	100
South Africa	
WINCOR NIXDORF (PTY) LTD, Hurlingham- Sandton	100

Subsidiaries not consolidated	Capital share in %
Europe	
MCES LLC, Moscow	49.9 1)
Africa	
Wincor Nixdorf Retail ME DMCC, Dubai	80
Wincor Nixdorf Limited, Lagos	100

Joint ventures	Capital share in %
Europe	
CROWN B.V., Delft	50

Associates	Capital share in %
Asia-Pacific	
Wincor Nixdorf Retail & Banking Systems (Shanghai) Co., Ltd., Shanghai	43.6 1)
Wincor Nixdorf Manufacturing (Shanghai) Co., Ltd., Shanghai	43.6 1)
Wincor Engineering Pte. Ltd., Singapore	43.6

1) 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 2015/2016:

- 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 Global Logistics 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
- Prosystems IT GmbH, Bonn

[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 2015/2016 and 2014/2015:

€k

	2015/2016	2014/2015
For audit fees	2,346	1,618
thereof for KPMG AG	1,227	603
For other certification or valuation services	526	212
thereof for KPMG AG	460	158
For tax consultancy	890	566
thereof for KPMG AG	731	350
For other services rendered to Wincor Nixdorf AG or its subsidiaries	404	430
thereof for KPMG AG	1	5
Total	**4,166**	**2,826**
thereof for KPMG AG	2,419	1,116

[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 permanently 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. The Supervisory Board members Zvezdana Seeger, Hans-Ulrich Holdenried and Professor Achim Bachem resigned their posts as members of the Company's Supervisory Board with effect from September 30, 2016. At Wincor Nixdorf AG's Extraordinary General Meeting on September 26, 2016, three new members were elected to the Supervisory Board effective October 1, 2016: Elisabeth C. Radigan, Andreas W. Mattes and Christopher A. Chapman

As stipulated in the business combination agreement between Diebold, Inc. and Wincor Nixdorf AG in November 2015, two members of the Leadership Team of Diebold, Inc. were appointed to the Board of Directors of Wincor Nixdorf AG by the Supervisory Board of Wincor Nixdorf AG. Accordingly, Alan Kerr was appointed to the Board of Directors of Wincor Nixdorf AG as of October 1, 2016. Alan Kerr has been Senior Vice President Software at Diebold, Inc. since August 2014. Stefan E. Merz was also appointed to the Board of Directors of Wincor Nixdorf AG, likewise as of October 1. Stefan E. Merz has been Senior

Vice President Strategic Projects at Diebold, Inc. since August 2013.

Two actions for annulment have so far been filed against the first item on the agenda of the Extraordinary General Meeting of Wincor Nixdorf AG on September 26, 2016 - approval for the conclusion of a domination and profit and loss transfer agreement between Wincor Nixdorf AG and Diebold KGaA.

Paderborn, November 23, 2016
Wincor Nixdorf Aktiengesellschaft, Paderborn

Heidloff
President and
Chief Executive Officer

Dr. Näher
Executive
Vice President

Dr. Wunram
Deputy CEO
and President

Kerr
Executive
Vice President

Heyden
Executive
Vice President

Merz
Executive
Vice President

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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 23, 2016
Wincor Nixdorf AG

Heidloff
President and
Chief Executive Officer

Dr. Näher
Executive
Vice President

Dr. Wunram
Deputy CEO
and President

Kerr
Executive
Vice President

Heyden
Executive
Vice President

Merz
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, 2015 to September 30, 2016. 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 23, 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Andrejewski	Nölgen
Wirtschaftsprüfer	Wirtschaftsprüfer
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: Solutions consisting of hardware, software, and services that are designed to facilitate the processing of cashless payment transactions.

Cash Recycling System: Cash machine that counterfeitchecks 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 family of cash systems developed by Wincor Nixdorf comprising ATMs, cash recycling systems, automated teller safes, and transaction terminals.

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.

POS System: Point-of-sale system; PC-based IT solution to integrate peripheral devices such as scanners and scales.

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, encompassing 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.

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Design.
nexxar GmbH, Vienna - Online annual reports and online sustainability reports

Design History (print).
Berichtsmanufaktur GmbH, Hamburg

Photographs/copyrights.
CPIMAC & Wincor Nixdorf International GmbH

Printed by.
Druckstudio GmbH, Düsseldorf

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Order No. R40800-201516-1
Printed in Germany

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