DIEBOLD NIXDORF

pressrelease

Media contact:
Mike Jacobsen, APR
+1 330 490 3796
michael.jacobsen@dieboldnixdorf.com

Investor contact:
Steve Virostek
+1 330 490 6319
steve.virostek@dieboldnixdorf.com

FOR IMMEDIATE RELEASE:
May 4, 2017

DIEBOLD NIXDORF REPORTS 2017 FIRST QUARTER FINANCIAL RESULTS

- GAAP revenue of $1.1 billion
- GAAP EPS from continuing operations was a loss of $0.78, or earnings of $0.08 on a non-GAAP basis
- GAAP operating profit was a loss of $48.6 million, or (4.4)% operating margin; non-GAAP operating profit was $41.7 million, or 3.7% operating margin
- Net cash used by continuing operating activities was $66.4 million, an improvement of $43.5 million from the prior year period; free cash use was $78.5 million, an improvement of $36.1 million from the prior year period.

NORTH CANTON, Ohio - Diebold Nixdorf today reported its first quarter 2017 financial results.

“The transition to Diebold Nixdorf is complete; now, we truly begin our long-term transformation with the DN2020 program we launched during the quarter,” said Andy W. Mattes, president and chief executive officer, Diebold Nixdorf. “From a market perspective, I’m especially encouraged by the solid sequential growth in systems orders and backlog we generated during the period. This is a good indication that our sales engine is gearing up after the breaking-in period of our new company in the second half of last year."

Mattes continued, "In addition, the large, multi-year contract renewals we recently announced with our two largest outsourcing customers are a testament to our strong competitive position and a confirmation of our services-led, software-enabled strategy. They also point to the importance our customers place on effectively managing the enduring nature of cash usage, which is a key value we bring to the market.”

2017 First Quarter Business Highlights

- Significant outsourcing renewals with TD Bank and Hamburger Sparkasse (Haspa) for nearly 6,000 automated teller machines (ATMs)
- New outsourcing contract with a Spanish retailer encompassing retail IT equipment in 1,000 locations
- Branch automation project with Banco Santander in Mexico, including 1,200 ATMs and cash recycling units
- Won three-year services contract for 8,000 ATMs and other IT equipment with the largest private bank in Brazil
- Connected commerce solutions enabled for consumers of Ziraat Bank, the largest financial institution in Turkey, with advanced software and professional services for 7,000 ATMs
- Momentum building for cash recycling systems and software, with new wins for 5,000 units in Asia and Eastern Europe
- Won contract for 1,000 self-checkout systems and four years of service with COOP stores in Switzerland
- Driving new innovations in miniaturization with the Extreme self-checkout and Essence ATM concepts

Financial Results of Operations and Lines of Business

On Aug. 15, 2016, the company completed the acquisition of Wincor Nixdorf and, as a result, comparisons to prior periods are materially affected. Financial results for the first quarter and the next several reporting periods include acquisition-related items that will significantly impact GAAP results.

Revenue Summary by Reportable Segments, Geographic Regions and Solutions - Unaudited

Three months ended March 31, 2017 compared to March 31, 2016

(Dollars in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	% Change	% Change in CC [1]
Segments				
Services	$ 573.2	$ 318.7	79.9	77.8
Software	110.4	22.4	392.9	373.8
Systems	419.2	168.5	148.8	146.0
Net Sales	$ 1,102.8	$ 509.6	116.4	113.7
Geographic Regions				
Americas	$ 396.2	$ 342.5	15.7	12.8
EMEA	562.0	85.9	554.2	559.6
AP	144.6	81.2	78.1	81.4
Net Sales	$ 1,102.8	$ 509.6	116.4	113.7
Solutions				
Banking	$ 819.6	$ 507.6	61.5	59.5
Retail	283.2	2.0	N/M	N/M
Net Sales	$ 1,102.8	$ 509.6	116.4	113.7

[1] - The Company calculates constant currency by translating the prior-year period results at the current year exchange rate.
N/M = Not Meaningful

Three months ended March 31, 2017 compared to pro forma March 31, 2016

(Dollars in millions)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016 [2]	% Change	% Change in CC [1]
Segments				
Services	$ 573.2	$ 603.0	(4.9)	(4.0)
Software	110.4	105.1	5.0	6.3
Systems	419.2	446.3	(6.1)	(5.1)
Net Sales	$ 1,102.8	$ 1,154.4	(4.5)	(3.5)
Geographic Regions				
Americas	$ 396.2	$ 424.4	(6.6)	(8.6)
EMEA	562.0	569.4	(1.3)	2.0
AP	144.6	160.6	(10.0)	(8.5)
Net Sales	$ 1,102.8	$ 1,154.4	(4.5)	(3.5)
Solutions				
Banking	$ 819.6	$ 886.1	(7.5)	(7.3)
Retail	283.2	268.3	5.6	9.4
Net Sales	$ 1,102.8	$ 1,154.4	(4.5)	(3.5)

[1] - The Company calculates constant currency by translating the prior-year period results at the current year exchange rate.
[2] - The unaudited pro forma net sales information for the three-month period ended March 31, 2016 is a non-GAAP measure which combines the historical net sales information of Diebold and Wincor Nixdorf for the three-month period ended March 31, 2016. Wincor Nixdorf's net sales information included in the March 31, 2016 pro forma information was prepared in accordance with International Financial Reporting Standards.

Full-year 2017 outlook[1]

	Previous Guidance	Current Guidance
Total Revenue	**$5.0B - $5.1B**	**~$5.0B**
Net Income (Loss) attributable to Diebold Nixdorf, Inc.	**$ (55 million) - $ (30 million)**	**$ (75 million) - $ (50 million)**
Adjusted EBITDA	**$440 million - $470 million**	**$440 million - $470 million**
2017 EPS (GAAP)	**$(0.70) - $(0.40)**	**$(0.95) - $(0.65)**
Restructuring	~0.45	~0.45
Non-routine (income)/expense:		
Integration expense	~0.65	~0.65
Legal, Acquisition and Divestiture expense	—	~0.35
Impairment & Other Non-routine	—	~0.05
Wincor Nixdorf purchase price accounting	~1.90	~1.90
Total non-routine (income)/expense	~2.55	~2.95
Tax impact of restructuring and non-routine (income)/expense items	~(0.90)	~(1.05)
Total Adjusted EPS (non-GAAP measure)	**$1.40 - $1.70**	**$1.40 - $1.70**

(1) - The company expects a non-GAAP effective tax rate of approximately 30% for the full year. With respect to the company's non-GAAP tax rate outlook for 2017, the company is not providing the most directly comparable GAAP financial measure and, with respect to the company's non-GAAP tax rate and adjusted EBITDA outlook for 2017, the company is not providing corresponding reconciliations because it is unable to predict with reasonable certainty those items that may affect such measures calculated and presented in accordance with GAAP without unreasonable effort. These measures exclude the future impact of restructuring actions, net non-routine items, acquisition, divestiture and integration related expenses and purchase accounting fair value adjustments. These reconciling items are uncertain, depend on various factors and could significantly impact, either individually or in the aggregate, our future period tax rate calculated and presented in accordance with GAAP. Please see "Use of Non-GAAP Financial Measures" for additional information regarding our use of non-GAAP financial measures.

Overview Presentation and Conference Call

More information on Diebold Nixdorf's quarterly earnings is available on Diebold's Investor Relations website. Andy W. Mattes, president and chief executive officer, and Christopher A. Chapman, senior vice president and chief financial officer, will discuss the company's financial performance during a conference call today at 8:30 a.m. (ET). Both the presentation and access to the call / webcast are available at http://www.dieboldnixdorf.com/earnings. The replay of the webcast can be accessed on the web site for up to three months after the call.

About Diebold Nixdorf

Diebold Nixdorf, Incorporated (NYSE:DBD) is a world leader in enabling connected commerce for millions of consumers each day across the financial and retail industries. Its software-defined solutions bridge the physical and digital worlds of cash and consumer transactions conveniently, securely and efficiently. As an innovation partner for nearly all of the world's top 100 financial institutions and a majority of the top 25 global retailers, Diebold Nixdorf delivers unparalleled services and technology that are essential to evolve in an 'always on' and changing consumer landscape.

Diebold Nixdorf has a presence in more than 130 countries with approximately 24,000 employees worldwide. The organization maintains corporate offices in North Canton, Ohio, USA and Paderborn, Germany. Shares are traded on the New York and Frankfurt Stock Exchanges under the symbol 'DBD'. Visit **www.DieboldNixdorf.com** for more information.

Non-GAAP Financial Measures and Other Information

To supplement our condensed consolidated financial statements presented in accordance with GAAP, the company considers certain financial measures that are not prepared in accordance with GAAP, including non-GAAP results, adjusted diluted earnings per share, free cash flow/(use), net investment/(debt), EBITDA, adjusted EBITDA, non-GAAP effective tax rate and constant currency results. The company calculates constant currency by translating the prior year results at the current year exchange rate. The company uses these non-GAAP financial measures, in addition to GAAP financial measures, to evaluate our operating and financial performance and to compare such performance to that of prior periods and to the performance of our competitors. Also, the company uses these non-GAAP financial measures in making operational and financial decisions and in establishing operational goals. The company also believes providing these non-GAAP financial measures to investors, as a supplement to GAAP financial measures, helps investors evaluate our operating and financial performance and trends in our business, consistent with how management evaluates such performance and trends. The company also believes these non-GAAP financial measures may be useful to investors in comparing its performance to the performance of other companies, although its non-GAAP financial measures are specific to the company and the non-GAAP financial measures of other companies may not be calculated in the same manner. We provide EBITDA and Adjusted EBITDA because we believe that investors and securities analysts will find EBITDA and adjusted EBITDA to be useful measures for evaluating our operating performance and comparing our operating performance with that of similar companies that have different capital structures and for evaluating our ability to meet our future debt service, capital expenditures, and working capital requirements. We are also providing EBITDA and adjusted EBITDA in light of issuance of our credit agreement and 8.5% senior notes due 2024. For more information, please refer to the section, "Notes for Non-GAAP Measures".

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding anticipated adjusted revenue growth, adjusted internal revenue growth, adjusted diluted earnings per share, and adjusted earnings per share growth. Statements can generally be identified as forward-looking because they include words such as "believes," "anticipates," "expects," "could," "should" or words of similar meaning. Statements that describe the company's future plans, objectives or goals are also forward-looking statements. Forward-looking statements are subject to assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that may affect the company's results include, among others: the ultimate impact of the review of the business combination with Wincor Nixdorf by the Competition and Markets Authority (CMA) in the United Kingdom, including our ability to successfully divest the legacy Diebold business in the United Kingdom in satisfaction of the requirements of the CMA; the implementation and ultimate impact of the domination and profit and loss transfer agreement with Wincor Nixdorf; the ultimate outcome and results of integrating the operations of the company and Wincor Nixdorf; the ultimate outcome of the company’s pricing, operating and tax strategies applied to Wincor Nixdorf and the ultimate ability to realize synergies; the company's ability to successfully launch and operate its joint ventures in China with the Inspur Group and Aisino Corp.; the impact of market and economic conditions on the financial services industry; the capacity of the company's technology to keep pace with a rapidly evolving marketplace; pricing and other actions by competitors; the effect of legislative and regulatory actions in the United States and internationally; the company's ability to comply with government regulations; the impact of a security breach or operational failure on the company's business; the company's ability to successfully integrate acquisitions into its operations; the impact of the company's strategic initiatives; and other factors included in the company's filings with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2016 and in other documents that the company files with the SEC. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements. The company assumes no obligation to update any forward-looking statements, which speak only as of the date of this press release.

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED
(IN MILLIONS, EXCEPT EARNINGS PER SHARE)

	Q1 2017	Q1 2016
Net sales		
Services and software	$ 683.6	$ 341.1
Systems	419.2	168.5
Total	1,102.8	509.6
Cost of sales		
Services and software	505.5	230.9
Systems	354.8	139.9
Total	860.3	370.8
Gross profit	242.5	138.8
Gross margin	22.0 %	27.2 %
Operating expenses		
Selling and administrative expense	247.0	125.6
Research, development and engineering expense	41.4	18.5
Impairment of assets	3.1	—
(Gain) loss on sale of assets, net	(0.4)	0.4
Total	291.1	144.5
Percent of net sales	26.4 %	28.4 %
Operating profit (loss)	(48.6)	(5.7)
Operating margin	(4.4)%	(1.1)%
Other income (expense)		
Interest income	6.4	4.9
Interest expense	(30.8)	(11.5)
Foreign exchange gain (loss), net	(3.1)	(2.4)
Miscellaneous, net	1.3	34.6
Total other income (expense)	(26.2)	25.6
Income (loss) from continuing operations before taxes	(74.8)	19.9
Income tax (benefit) expense	(22.6)	(0.8)
Income (loss) from continuing operations, net of tax	(52.2)	20.7
Income (loss) from discontinued operations, net of tax	—	147.8
Net income (loss)	(52.2)	168.5
Net income attributable to noncontrolling interests	6.6	0.3
Net income (loss) attributable to Diebold Nixdorf, Incorporated	$ (58.8)	$ 168.2
Basic weighted-average shares outstanding	75.3	65.1
Diluted weighted-average shares outstanding	75.3	65.7
Amounts attributable to Diebold Nixdorf, Incorporated		
Income (loss) before discontinued operations, net of tax	$ (58.8)	$ 20.4
Income (loss) from discontinued operations, net of tax	—	147.8
Net income (loss) attributable to Diebold Nixdorf, Incorporated	$ (58.8)	$ 168.2
Basic earnings (loss) per share		
Income (loss) from continuing operations, net of tax	$ (0.78)	$ 0.31
Income (loss) from discontinued operations, net of tax	—	2.27
Net income (loss) attributable to Diebold Nixdorf, Incorporated	$ (0.78)	$ 2.58
Diluted earnings (loss) per share		
Income (loss) from continuing operations, net of tax	$ (0.78)	$ 0.31
Income (loss) from discontinued operations, net of tax	—	2.25
Net income (loss) attributable to Diebold Nixdorf, Incorporated	$ (0.78)	$ 2.56
Common dividends declared and paid per share	$ 0.1000	$ 0.2875

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS - UNAUDITED
(IN MILLIONS)

	3/31/2017	12/31/2016
ASSETS		
Current assets		
Cash and cash equivalents	$ 490.1	$ 652.7
Short-term investments	77.7	64.1
Trade receivables, less allowances for doubtful accounts	880.6	835.9
Inventories	761.1	737.7
Other current assets	392.0	329.2
Total current assets	2,601.5	2,619.6
Securities and other investments	94.5	94.7
Property, plant and equipment, net	382.2	387.0
Goodwill	1,011.7	998.3
Intangible assets, net	753.5	772.9
Other assets	401.2	397.8
Total assets	$ 5,244.6	$ 5,270.3
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Current liabilities		
Notes payable	$ 77.7	$ 106.9
Accounts payable	541.2	560.5
Other current liabilities	1,227.3	1,157.1
Total current liabilities	1,846.2	1,824.5
Long-term debt	1,689.7	1,691.4
Long-term liabilities	690.9	685.5
Redeemable noncontrolling interests	449.9	44.1
Total Diebold Nixdorf, Incorporated shareholders' equity	533.1	591.4
Noncontrolling interests	34.8	433.4
Total equity	567.9	1,024.8
Total liabilities, redeemable noncontrolling interests and equity	$ 5,244.6	$ 5,270.3

DIEBOLD NIXDORF, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED
(IN MILLIONS)

	YTD 3/31/2017	YTD 3/31/2016
Cash flow from operating activities		
Net income (loss)	$ (52.2)	$ 168.5
Income (loss) from discontinued operations, net of tax	—	147.8
Income (loss) from continuing operations, net of tax	(52.2)	20.7
Adjustments to reconcile net income (loss) to cash flow used by operating activities:		
Depreciation and amortization	58.6	15.0
Impairment of assets	3.1	—
Gain on foreign currency option contracts, net	—	(36.5)
Other	7.1	6.0
Changes in certain assets and liabilities		
Trade receivables	(36.8)	(36.6)
Inventories	(16.9)	(31.9)
Accounts payable	(22.4)	(37.3)
Prepaid income taxes	(37.2)	(13.3)
Deferred revenue	82.0	3.8
Deferred income taxes	(8.7)	4.6
Certain other assets and liabilities	(43.0)	(4.4)
Net cash used by operating activities - continuing operations	(66.4)	(109.9)
Net cash used by operating activities - discontinued operations	—	(5.3)
Net cash used by operating activities	(66.4)	(115.2)
Cash flow from investing activities		
Net investment activity	(10.2)	(4.4)
Capital expenditures	(12.1)	(4.7)
Increase in certain other assets	(6.7)	(4.7)
Net cash used by investing activities - continuing operations	(29.0)	(13.8)
Net cash provided by investing activities - discontinued operations	—	365.1
Net cash provided (used) by investing activities	(29.0)	351.3
Cash flow from financing activities		
Dividends paid	(7.6)	(18.8)
Restricted cash, net	—	(116.1)
Net debt borrowings	(44.9)	(108.4)
Repurchase of common shares	(4.6)	(1.7)
Other	(15.3)	(2.0)
Net cash used by financing activities	(72.4)	(247.0)
Effect of exchange rate changes on cash and cash equivalents	5.2	3.4
Increase (decrease) in cash and cash equivalents	(162.6)	(7.5)
Add: Cash overdraft included in assets held for sale at beginning of period	—	(1.5)
Cash and cash equivalents at the beginning of the period	652.7	313.6
Cash and cash equivalents at the end of the period	$ 490.1	$ 304.6

Notes for Non-GAAP Measures

To supplement our condensed consolidated financial statements presented in accordance with GAAP, the company considers certain financial measures that are not prepared in accordance with GAAP, including non-GAAP results, adjusted earnings per share, EBITDA and Adjusted EBITDA, free cash flow/(use) and net investment/(debt).

1. Profit/loss summary (Dollars in millions):

	Q1 2017						Q1 2016					
	Net Sales	Gross Profit	% of Sales	OPEX	OP	% of Sales	Net Sales	Gross Profit	% of Sales	OPEX	OP	% of Sales
GAAP Results	$ 1,102.8	$ 242.5	22.0%	$ 291.1	$ (48.6)	(4.4)%	$ 509.6	$ 138.8	27.2%	$ 144.5	$ (5.7)	(1.1)%
Restructuring		3.6		(9.3)	12.9			0.3		(0.1)	0.4	
Impairment		—		(3.1)	3.1			—		—	—	
Legal / Acquisition and divestiture expense		0.6		(18.3)	18.9			—		(13.8)	13.8	
Acquisition integration		0.6		(12.3)	12.9			—		—	—	
Wincor Nixdorf purchase accounting adjustments	10.4	23.2		(19.0)	42.2			—		—	—	
Other		0.2		(0.1)	0.3			0.3		—	0.3	
Non-routine expenses, net	10.4	24.6		(52.8)	77.4		—	0.3		(13.8)	14.1	
Non-GAAP Results	$ 1,113.2	$ 270.7	24.3%	$ 229.0	$ 41.7	3.7 %	$ 509.6	$ 139.4	27.4%	$ 130.6	$ 8.8	1.7 %

Restructuring expenses relate to the DN2020 business transformation plan focused on driving connected commerce, finance, sales and operational excellence, business integration, culture and talent, and include the company's legacy multi-year realignment program. Non-routine income/expense relate to non-cash impairments primarily associated with legacy Diebold software, legal, acquisition and divestiture expenses primarily related to the mark-to-mark impact on Wincor stock options in the first quarter of 2017 and fees paid by the company in connection with ongoing obligations related to prior regulatory settlements, including the cost of the independent monitor, acquisition, integration and divestiture expenses. The Wincor Nixdorf purchase accounting adjustments relate to the valuation of deferred revenue, inventory and intangible asset charges as management believes that this is useful information to investors by highlighting the impact of the acquisition of Wincor Nixdorf on the company's operations.

2. Reconciliation of GAAP net income (loss) to EBITDA and Adjusted EBITDA measures (Dollars in millions):

	Q1 2017	Q1 2016
Net income (loss)	$ (52.2)	$ 168.5
Income tax (benefit) expense	(22.6)	(0.8)
Interest income	(6.4)	(4.9)
Interest expense	30.8	11.5
Depreciation and amortization	58.6	15.0
EBITDA	8.2	189.3
Income from discontinued operations, net of tax	—	(147.8)
Share-based compensation	6.8	5.6
Foreign exchange loss, net	3.1	2.4
Miscellaneous, net	(1.3)	(34.6)
Restructuring expenses	12.9	0.4
Non-routine expenses, net	45.6	14.1
Adjusted EBITDA	$ 75.3	$ 29.4
Adjusted EBITDA % revenue	6.8%	5.8%

We define EBITDA as net income (loss) excluding income tax (benefit) expense, net interest, and depreciation and amortization expense. We define Adjusted EBITDA as EBITDA before the effect of the following items: income from discontinued operations, net of tax, share-based compensation, foreign exchange loss, net, other income (expense) miscellaneous, net, restructuring expense, and non-routine expenses, net as outlined in Note 1 of the non-GAAP measures. These are non-GAAP financial measurements used by management to enhance the understanding of our operating results. EBITDA and Adjusted EBITDA are key measures we use to evaluate our operational performance. We provide EBITDA and Adjusted EBITDA because we believe that investors and securities analysts will find EBITDA and Adjusted EBITDA to be useful measures for evaluating our operating performance and comparing our operating performance with that of similar companies that have different capital structures and for evaluating our ability to meet our future debt service, capital expenditures, and working capital requirements. However, EBITDA and Adjusted EBITDA should not be considered as alternatives to net income as a measure of operating results or as alternatives to cash flows from operating activities as a measure of liquidity in accordance with GAAP.

3. Reconciliation of diluted GAAP EPS to non-GAAP EPS:

	Q1 2017	Q1 2016
Total diluted EPS from the income (loss) from continuing operations, net of tax (GAAP measure)	$ (0.78)	$ 0.31
Restructuring	0.17	—
Non-routine (income)/expense:		
Impairment	0.04	—
Legal / Acquisition and divestiture expense	0.25	0.27
Acquisition integration	0.17	—
Acquisition related hedging (income)/expense	—	(0.56)
Wincor Nixdorf purchase accounting adjustments	0.55	—
Other	0.02	0.01
Total non-routine (income)/expense	1.03	(0.28)
Tax impact (inclusive of allocation of discrete tax items)	(0.34)	(0.06)
Total adjusted EPS (non-GAAP measure)	$ 0.08	$ (0.03)
EPS (non-GAAP) - discontinued operations	$ —	$ (0.02)
EPS (non-GAAP) - including discontinued operations	$ 0.08	$ (0.05)

Restructuring expenses relate to the DN2020 business transformation plan focused on driving connected commerce, finance, sales and operational excellence, business integration, culture and talent, and include the company's legacy multi-year realignment program. Non-routine income/expense relate to non-cash impairments primarily associated with legacy Diebold software, legal, acquisition and divestiture expenses primarily related to the mark-to-mark impact on Wincor stock options in the first quarter of 2017 and fees paid by the company in connection with ongoing obligations related to prior regulatory settlements, including the cost of the independent monitor, acquisition, integration and divestiture expenses, including incremental interest related to the debt incurred and fair value of foreign currency option contracts prior to closing the acquisition of Wincor Nixdorf. The Wincor Nixdorf purchase accounting adjustments relate to the valuation of deferred revenue, inventory and intangible asset charges as management believes that this is useful information to investors by highlighting the impact of the acquisition of Wincor Nixdorf on the company's operations.

4. Free cash flow use from continuing operations is calculated as follows (Dollars in millions):

	Q1 2017	Q1 2016
Net cash used by operating activities (GAAP measure)	$ (66.4)	$ (109.9)
Capital expenditures (GAAP measure)	(12.1)	(4.7)
Free cash flow use (non-GAAP measure)	$ (78.5)	$ (114.6)

We define free cash flow use as net cash used by operating activities less capital expenditures. We consider free cash flow use to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business that, after the purchase of property and equipment, can be used for debt servicing, strategic opportunities, including investing in the business, making strategic acquisitions, strengthening the balance sheet, and paying dividends.

5. Net debt is calculated as follows (Dollars in millions):

	3/31/2017	12/31/2016	3/31/2016
Cash, cash equivalents and short-term investments (GAAP measure)	$ 567.8	$ 716.8	$ 470.4
Debt Instruments	(1,767.4)	(1,798.3)	(532.6)
Net debt (non-GAAP measure)	$ (1,199.6)	$ (1,081.5)	$ (62.2)

The company's management believes that given the significant cash, cash equivalents and other investments on its balance sheet that net cash against outstanding debt is a meaningful net debt calculation. More than 95% of the company's cash, cash equivalents and short-term investments reside in international tax jurisdictions for the current period.

###

PR/17_xxxx