



# Investment Community Conference Call

Second Quarter Earnings Results  
July 28, 2016

# Use of Non-GAAP Financial Information

Diebold has included non-GAAP financial measures in this presentation to supplement Diebold's condensed consolidated financial statements presented on a GAAP basis. Definitions of these non-GAAP financial measures and reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included elsewhere in this presentation.

Diebold's management uses constant currency, non-GAAP product, service and total gross margins, non-GAAP operating expense, non-GAAP operating profit, non-GAAP tax rate, non-GAAP net earnings, EBITDA, adjusted EBITDA and non-GAAP diluted earnings per share, and excludes gains, losses or other charges that are considered by Diebold's management to be outside of Diebold's core business segment operating results. Net debt and free cash flow are liquidity measures that provide useful information to management about the amount of cash available for investment in Diebold's businesses, funding strategic acquisitions, repurchasing stock and other purposes. The company calculates constant currency by translating the prior year results at the current year exchange rate.

These non-GAAP financial measures may have limitations as analytical tools, and these measures should not be considered in isolation or as a substitute for analysis of Diebold's results as reported under GAAP. Items such as impairment of goodwill and intangible assets, though not directly affecting Diebold's cash position, represent the loss in value of goodwill and intangible assets over time. The impairment expense associated with this loss in value is not included in non-GAAP operating profit, non-GAAP net earnings, non-GAAP diluted earnings per share and therefore does not reflect the full economic effect of the loss in value of those goodwill and intangible assets. In addition, items such as restructuring charges and non-routine expenses that are excluded from non-GAAP gross profit, non-GAAP operating expense, non-GAAP operating profit, non-GAAP net earnings, and non-GAAP diluted earnings per share can have a material impact on cash flows and earnings per share. In addition, free cash flow does not represent the total increase or decrease in the cash balance for the period. The non-GAAP financial information that we provide also may differ from the non-GAAP information provided by other companies.

We compensate for the limitations on our use of these non-GAAP financial measures by relying primarily on our GAAP financial statements and using non-GAAP financial measures only supplementally. We also provide robust and detailed reconciliations of each non-GAAP financial measure to the most directly comparable GAAP measure, and we encourage investors to review carefully those reconciliations.

We believe that providing these non-GAAP financial measures in addition to the related GAAP measures provides investors with greater transparency to the information used by Diebold's management in its financial and operational decision-making and allows investors to see Diebold's results "through the eyes" of management. We further believe that providing this information better enables investors to understand Diebold's operating performance and to evaluate the efficacy of the methodology and information used by management to evaluate and measure such performance.

# Forward-looking Statements

In this presentation, statements that are not reported financial results or other historical information are “forward-looking statements”. Forward-looking statements give current expectations or forecasts of future events and are not guarantees of future performance. These forward-looking statements relate to, among other things, the company’s future operating performance, the company’s share of new and existing markets, the company’s short- and long-term revenue and earnings growth rates, and the company’s implementation of cost-reduction initiatives and measures to improve pricing, including the optimization of the company’s manufacturing capacity.

The use of the words “will,” “believes,” “anticipates,” “expects,” “intends” and similar expressions is intended to identify forward-looking statements that have been made and may in the future be made by or on behalf of the company. Although the company believes that these forward-looking statements are based upon reasonable assumptions regarding, among other things, the economy, its knowledge of its business, and on key performance indicators that impact the company, these forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The company is not obligated to update forward-looking statements, whether as a result of new information, future events or otherwise.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Some of the risks, uncertainties & other factors that could cause actual results to differ materially from those expressed in or implied by the forward-looking statements include, but are not limited to:

- the Company’s ability to successfully consummate the purchase of Wincor-Nixdorf, including satisfying closing conditions;
- the ultimate outcome and results of integrating operations with Wincor Nixdorf, the ultimate outcome of operating strategy applied to Wincor Nixdorf and the ultimate ability to realize synergies;
- the success of the Company’s strategic business alliance with Securitas AB;
- the Company’s ability to successfully consummate its transaction with the Inspur Group;
- the Company’s ability to reduce stranded costs related to its NA electronic security business from its ongoing operations;
- the ability to successfully consummate the transaction with the Inspur Group;
- competitive pressures, including pricing pressures and technological developments;
- changes in the company’s relationships with customers, suppliers, distributors and/or partners in its business ventures;
- changes in political, economic, or other factors such as currency exchange rates, inflation rates, recessionary or expansive trends, taxes and regulations and laws affecting the worldwide business in each of the company’s operations, including any impact related to the United Kingdom’s likely exit from the European Union;
- global economic conditions, including any additional deterioration and disruption in the financial markets, including the bankruptcies, restructurings or consolidations of financial institutions, which could reduce our customer base and/or adversely affect our customers’ ability to make capital expenditures, as well as adversely impact the availability and cost of credit;
- acceptance of the company’s product and technology introductions in the marketplace;
- the company’s ability to maintain effective internal controls;
- changes in the company’s intention to further repatriate cash and cash equivalents and short-term investments residing in international tax jurisdictions, which could negatively impact foreign and domestic taxes;
- unanticipated litigation, claims or assessments, as well as the outcome/impact of any current/pending litigation, claims or assessments;
- variations in consumer demand for financial self-service technologies, products and services;
- potential security violations to the company’s information technology systems;
- the investment performance of our pension plan assets, which could require us to increase our pension contributions, and significant changes in healthcare costs, including those that may result from government action;
- the amount and timing of repurchases of the company’s common shares, if any; and
- the company’s ability to achieve benefits from its cost-reduction initiatives and other strategic changes, as well as its business process outsourcing initiative.

# Important Information for Investors and Shareholders

In connection with the proposed business combination with Wincor Nixdorf, Diebold has filed a Registration Statement on Form S-4 with the SEC, which was declared effective by the SEC on February 5, 2016, that includes a prospectus of Diebold to be used in connection with the offer to acquire all Wincor Nixdorf ordinary shares. In addition, on February 4, 2016, the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "BaFin") approved the publication of the German offer document in connection with the offer. Diebold has published the German offer document on February 5, 2016. The acceptance period for the offer expired at the end of March 22, 2016 (Central European Time), and the statutory additional acceptance period expired at the end of April 12, 2016 (Central European Summer Time).

**INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE PROSPECTUS AND THE OFFER DOCUMENT, AS WELL AS OTHER DOCUMENTS THAT HAVE BEEN OR WILL BE FILED WITH THE SEC OR BAFIN OR PUBLISHED AT DIEBOLD'S WEBSITE AT WWW.DIEBOLD.COM UNDER THE INVESTOR RELATIONS SECTION, REGARDING THE PROPOSED BUSINESS COMBINATION AND THE OFFER BECAUSE THESE DOCUMENTS CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION.** You may obtain a free copy of the prospectus, an English translation of the offer document, and other related documents filed by Diebold with the SEC on the SEC's website at [www.sec.gov](http://www.sec.gov). The prospectus and other documents relating thereto may also be obtained for free by accessing Diebold's website at [www.diebold.com](http://www.diebold.com) under the Investor Relations section. You may obtain a free copy of the offer document on BaFin's website at [www.bafin.de](http://www.bafin.de), and, along with an English translation thereof, at Diebold's website at [www.diebold.com](http://www.diebold.com) under the Investor Relations section. Further, you may obtain a copy of the offer document free of charge from Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 60325 Frankfurt am Main, Germany, or by e-mail to [dct.tender-offers@db.com](mailto:dct.tender-offers@db.com) or by telefax to +49 69 910 38794.

This document is neither an offer to purchase nor a solicitation of an offer to sell shares of Wincor Nixdorf or Diebold. Terms and further provisions regarding the public offer are disclosed in the offer document, which was published on February 5, 2016, and in documents filed or that will be filed with the SEC. Investors and holders of Wincor Nixdorf shares, or of such instruments conferring a right to directly or indirectly acquire Wincor Nixdorf shares, are strongly encouraged to read the prospectus, the offer document and all documents in connection with the public offer because these documents contain important information.

No offering of securities will be made except by means of a prospectus meeting the requirements of section 10 of the U.S. Securities Act of 1933, as amended, and a German offer document in accordance with applicable European regulations, including the German Securities Acquisition and Takeover Act and the German Securities Prospectus Act (*Wertpapierprospektgesetz*). Subject to certain exceptions to be approved by the relevant regulators or certain facts to be ascertained, the public offer would not be made directly or indirectly, in or into any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction, or by use of the mails or by any means or instrumentality (including without limitation, facsimile transmission, telephone and the internet) of interstate or foreign commerce, or any facility of a national securities exchange, of any such jurisdiction.

# Business Overview



Andy Mattes  
President and Chief Executive Officer

# FSS Regional Trends



## ASIA-PACIFIC:

- Orders and revenue continue to be weighed down by China and India
- Completion of Inspur China joint venture pending local approvals



## EMEA:

- Orders down double-digits on difficult year-over-year comparison
- Revenue increased 4% in constant currency led by strong services growth
  - Sixth consecutive quarter of year-over-year constant currency revenue growth



## NORTH AMERICA:

- Orders up over 20% - strong growth from both product and service
- Branch transformation activity progressing
- Solid growth in backlog



## LATIN AMERICA:

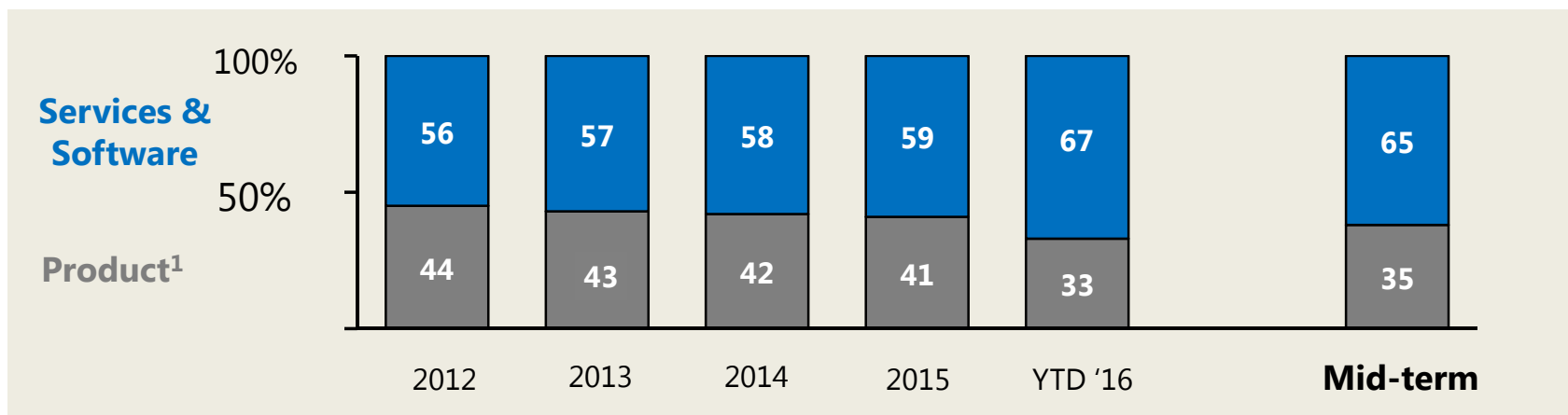
- Orders up more than 50% - particular strength in Brazil product orders
- Booked significant wins with three large customers in Brazil to deploy over 4,500 terminals
- Encouraged by the strong activity in the region

Total FSS orders up 10% CC; FSS Service revenue up 5% CC

Note: Orders include both product order entry and service revenue in constant currency

# Services-led, software-enabled company supported by innovative hardware

Transformation initiatives improving mix of revenue and higher gross margins



## Total Diebold Non-GAAP Margin Performance<sup>2</sup>

Service Gross Margin	27.0%	28.1%	32.1%	33.3%	33.3%	~35%
Product Gross Margin	23.1%	18.6%	20.2%	18.7%	16.4%	~20%
<b>Total Gross Margin</b>	<b>25.1%</b>	<b>23.8%</b>	<b>26.4%</b>	<b>27.1%</b>	<b>27.2%</b>	

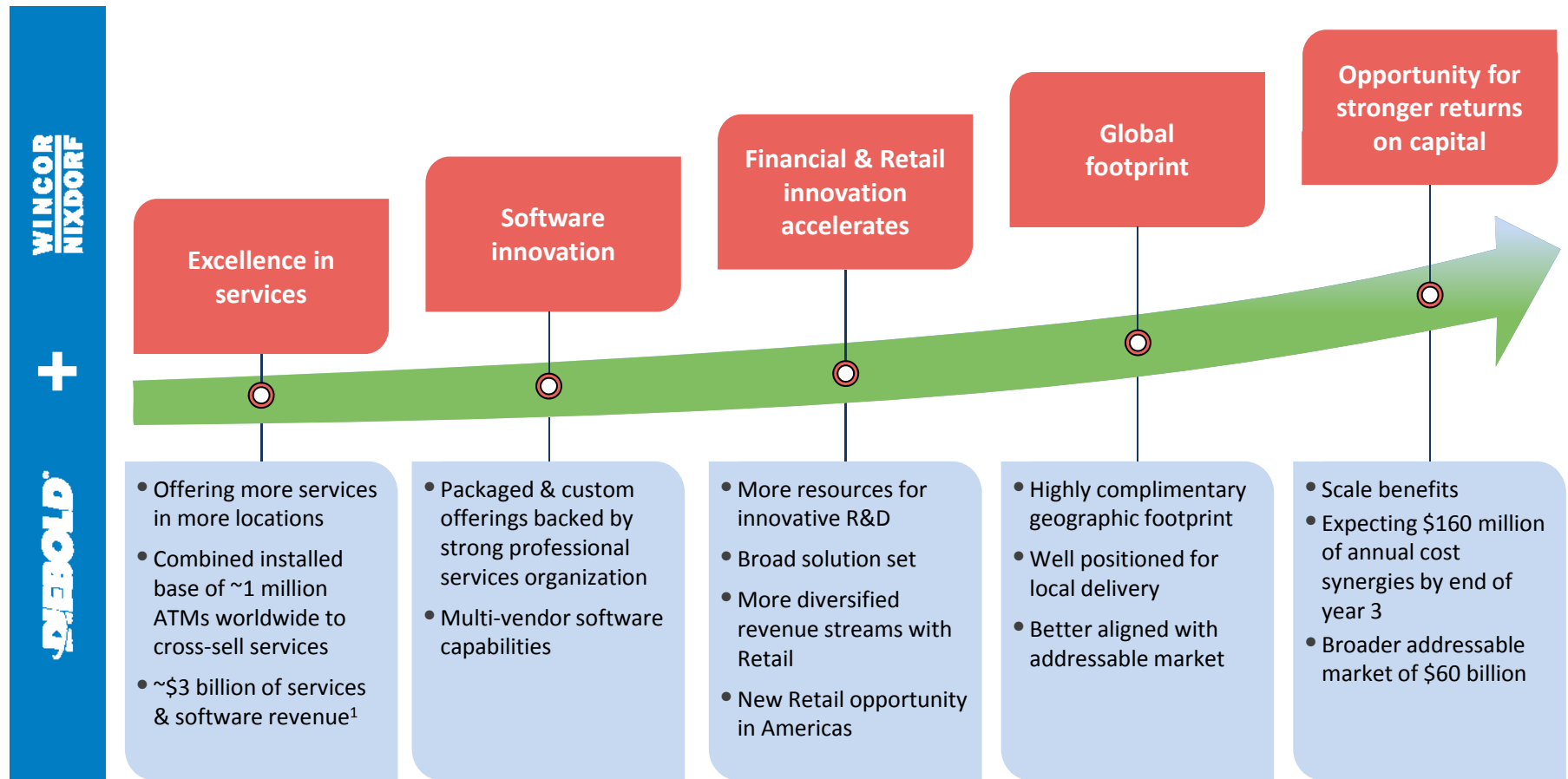
Note: Revenue mix excludes North America Electronic Security

1 Excludes Brazil Other from hardware revenue

2 Represents non-GAAP financial metric



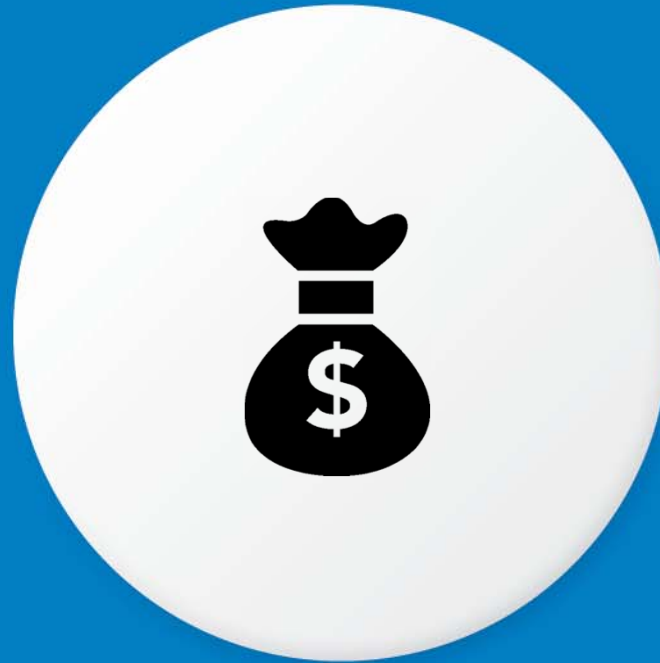
# Wincor Nixdorf acquisition accelerates our services-led, software enabled strategy



**Note:** 1) Pro forma for combined company for the twelve months ended December 31, 2015.



# Financial Overview



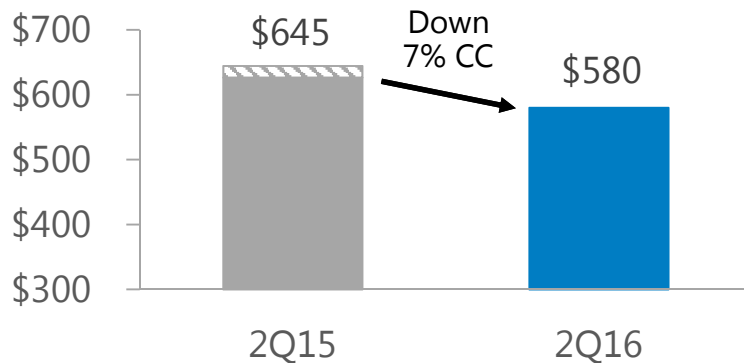
Chris Chapman

Senior Vice President and Chief Financial Officer

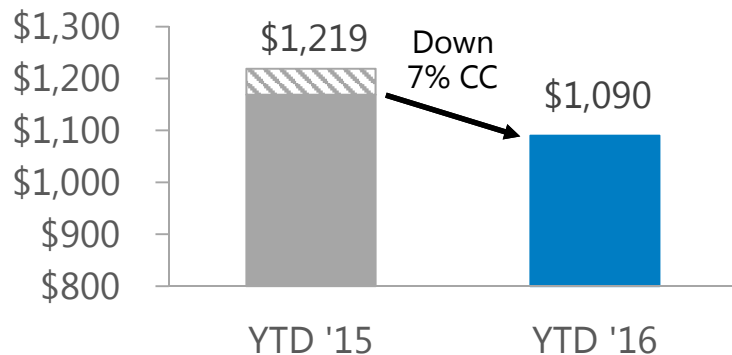
# Total Revenue


2015 vs. 2016 (\$ in millions)

## Q2 Total Revenue



## YTD Total Revenue



 FX Impact

## Q2 Summary:

- Down 10%, or 7% constant currency (CC)
- In constant currency,
  - Service revenue increased 4%
  - Product revenue decreased 21% primarily due to lower volume in emerging markets
- FSS revenue down 11% in CC
- Security revenue down \$3 million in CC
- Brazil other revenue up \$14 million in CC

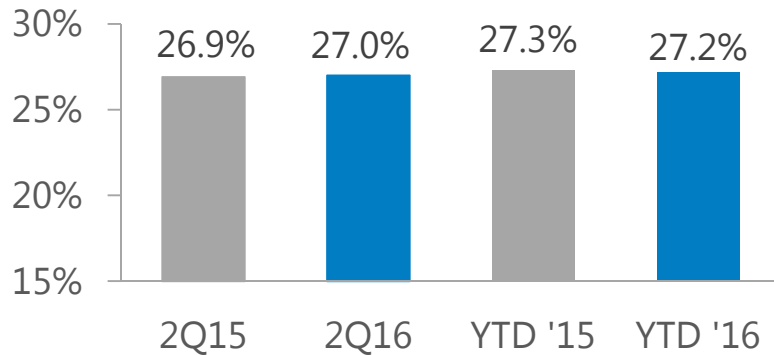
## YTD Summary:

- Down 11%, or 7% constant currency (CC)
- In constant currency,
  - Service revenue increased 4%
  - Product revenue decreased 21%

# Gross Margins – non-GAAP\*

2015 vs. 2016

## Total Gross Margin



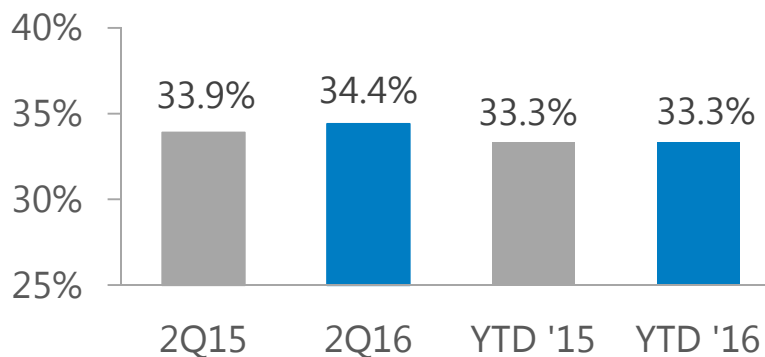
## Q2 Summary:

- Flat compared to the prior year period
- Service gross margin up 50 bps
- Product gross margin down 320 bps

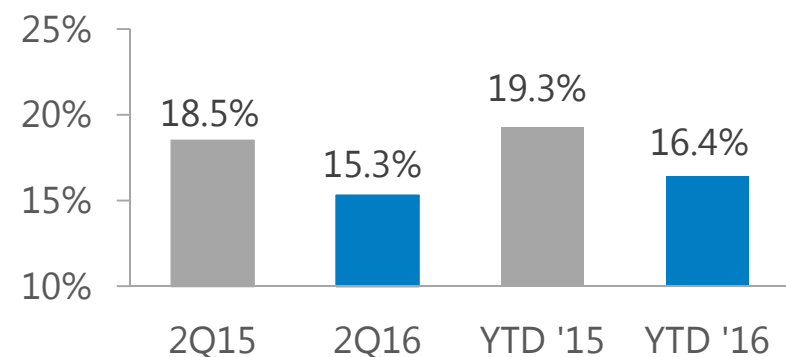
## YTD Summary:

- Down 10 basis points
- Service gross margin flat
- Product gross margin down 290 bps

## Service Gross Margin



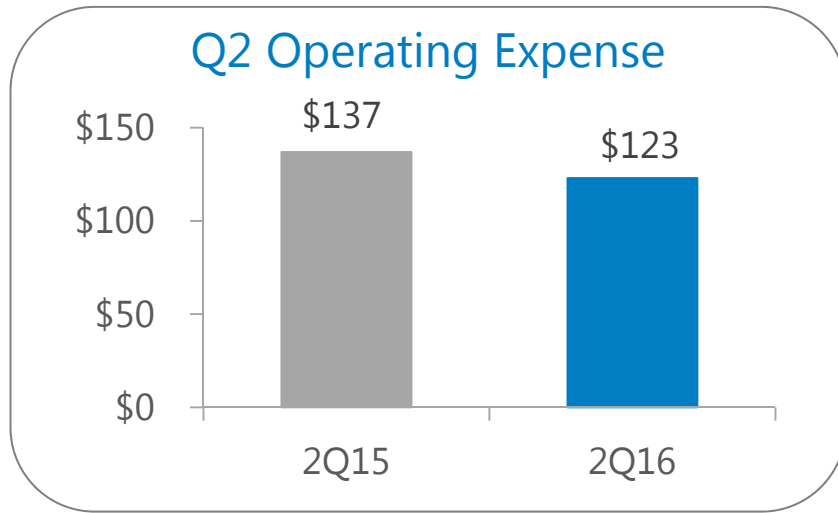
## Product Gross Margin



\* See reconciliation of GAAP to non-GAAP measures at the end of this presentation

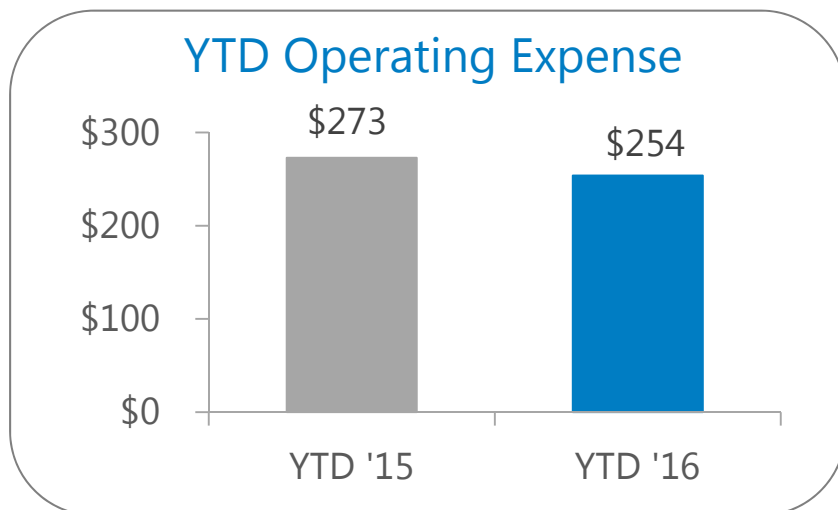
# Operating Expense – non-GAAP\*

2015 vs. 2016 (\$ in millions)



## Q2 Summary:

- Down \$14M as a result of cost reduction actions, lower reinvestment levels and lower variable selling expense
- As a percentage of revenue, down 10 bps



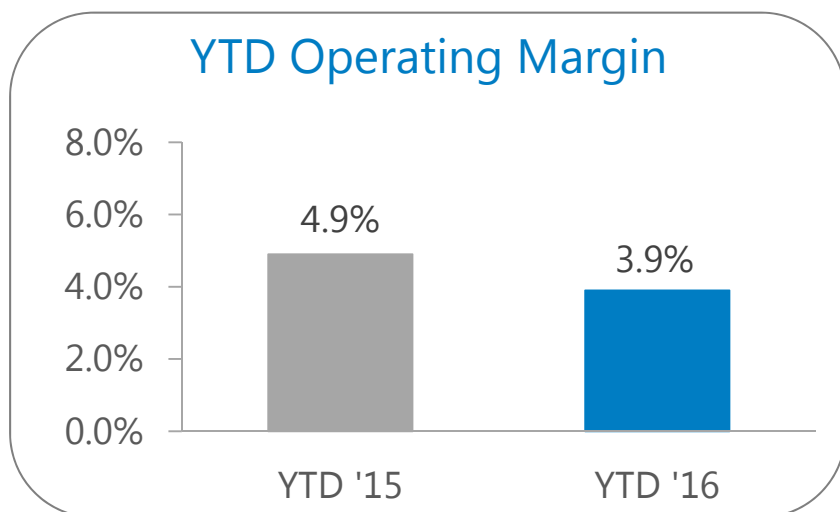
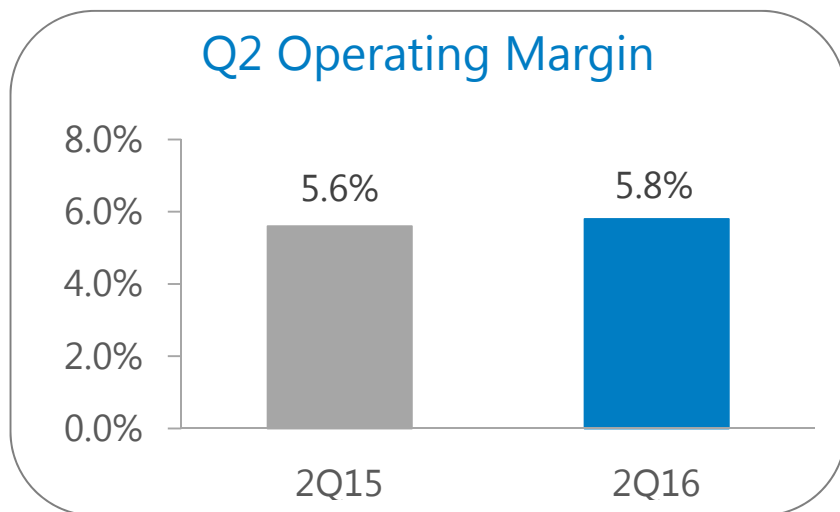
## YTD Summary:

- Down \$19M
- As a percentage of revenue, up 90 bps
- Expect \$15 million in net program savings from Diebold 2.0 in 2016

\* See reconciliation of GAAP to non-GAAP measures at the end of this presentation

# Operating Profit and Adjusted EBITDA – non-GAAP\*

2015 vs. 2016 (\$ in millions)



	2Q15	2Q16
Total Revenue	\$644.5	\$580.0
<b>Total Gross Profit</b>	<b>\$173.6</b>	<b>\$156.8</b>
Gross Margin	27.0%	27.0%
Selling, G&A, Other	\$113.8	\$105.8
Research and Development	23.8	17.5
Total Operating Expenses	\$137.6	\$123.3
Percent of Revenue	21.4%	21.3%
<b>Total Operating Profit</b>	<b>\$36.0</b>	<b>\$33.5</b>
Operating Margin	5.6%	5.8%
<b>Adjusted EBITDA</b>	<b>\$57.5</b>	<b>\$53.9</b>
Adjusted EBITDA Margin	8.9%	9.3%

	YTD '15	YTD '16
Total Revenue	\$1,219.3	\$1,089.6
<b>Total Gross Profit</b>	<b>\$332.9</b>	<b>\$296.2</b>
Gross Margin	27.3%	27.2%
Selling, G&A, Other	\$227.2	\$218.0
Research and Development	45.6	36.0
Total Operating Expenses	\$272.8	\$254.0
Percent of Revenue	22.4%	23.3%
<b>Total Operating Profit</b>	<b>\$60.1</b>	<b>\$42.2</b>
Operating Margin	4.9%	3.9%
<b>Adjusted EBITDA</b>	<b>\$102.1</b>	<b>\$83.3</b>
Adjusted EBITDA Margin	8.4%	7.6%

\* See reconciliation of GAAP to non-GAAP measures at the end of this presentation

# Segment Reporting – non-GAAP

Operating profit by reporting segment (\$ in millions)

	<u>2Q15</u>	<u>2Q16</u>	<u>\$ Var</u>	<u>% Var</u>	<u>YTD '15</u>	<u>YTD '16</u>	<u>\$ Var</u>	<u>% Var</u>
North America	\$66.8	\$63.0	\$(3.8)	(6)%	\$127.9	\$116.4	\$(11.5)	(9)%
Asia Pacific	14.3	6.2	(8.1)	(57)%	32.5	14.9	(17.6)	(54)%
EMEA	14.1	16.2	2.1	15%	26.5	26.6	0.1	-- %
Latin America	13.2	13.8	0.6	5%	16.3	20.8	4.5	28%
<b>Total segment operating profit</b>	<b>\$108.4</b>	<b>\$99.2</b>	<b>\$(9.2)</b>	<b>(8)%</b>	<b>\$203.2</b>	<b>\$178.7</b>	<b>\$(24.5)</b>	<b>(12)%</b>
Global/Corporate charges not allocated to segments*	(72.4)	(65.7)	6.7	9%	(143.1)	(136.4)	6.7	(5)%
<b>Total non-GAAP operating profit</b>	<b>\$36.0</b>	<b>\$33.5</b>	<b>\$(2.5)</b>	<b>(7)%</b>	<b>\$60.1</b>	<b>\$42.2</b>	<b>\$(17.9)</b>	<b>(30)%</b>

\*Corporate charges not allocated to segments include headquarter-based costs associated with manufacturing administration, procurement, human resources, compensation and benefits, finance and accounting, global development/engineering, global strategy/mergers and acquisitions, global information technology, tax, treasury and legal.

# EPS Reconciliation

	<u>2Q15</u>	<u>2Q16</u>	<u>YTD '15</u>	<u>YTD '16</u>
<b>EPS (GAAP) – continuing operations</b>	<b>\$0.28</b>	<b>\$(0.33)</b>	<b>\$0.17</b>	<b>\$(0.02)</b>
<b>Restructuring charges – pre-tax</b>	<b>\$0.11</b>	<b>\$0.08</b>	<b>\$0.15</b>	<b>\$0.09</b>
Non-routine (income)/expense – pre-tax:				
Software impairment	--	--	0.14	--
Venezuela divestiture	--	--	0.12	--
Venezuela devaluation	--	--	0.10	--
Legal, indemnification and professional fees	0.06	0.05	0.13	0.10
Acquisition/divestiture fees	--	0.60	--	0.82
Acquisition related hedging (income)/expense	--	0.36	--	(0.20)
Other	0.02	--	0.01	0.01
<b>Total non-routine (income)/expense – pre-tax</b>	<b>\$0.08</b>	<b>\$1.01</b>	<b>\$0.50</b>	<b>\$0.73</b>
Tax impact (inclusive of allocation of discrete tax items)	(0.09)	(0.33)	(0.22)	(0.39)
<b>Total adjusted EPS (non-GAAP) - Continuing</b>	<b>\$0.38</b>	<b>\$0.43</b>	<b>\$0.60</b>	<b>\$0.41</b>
Tax rate (non-GAAP)	26.0%	17.6%	25.5%	25.6%
EPS (non-GAAP) – Discontinued Operations	0.06	--	0.13	(0.02)
<b>EPS (non-GAAP) – Including Discontinued Operations</b>	<b>\$0.44</b>	<b>\$0.43</b>	<b>\$0.73</b>	<b>\$0.39</b>
Tax rate (non-GAAP) – Including Discontinued Operations	27.8%	17.7%	27.3%	25.2%

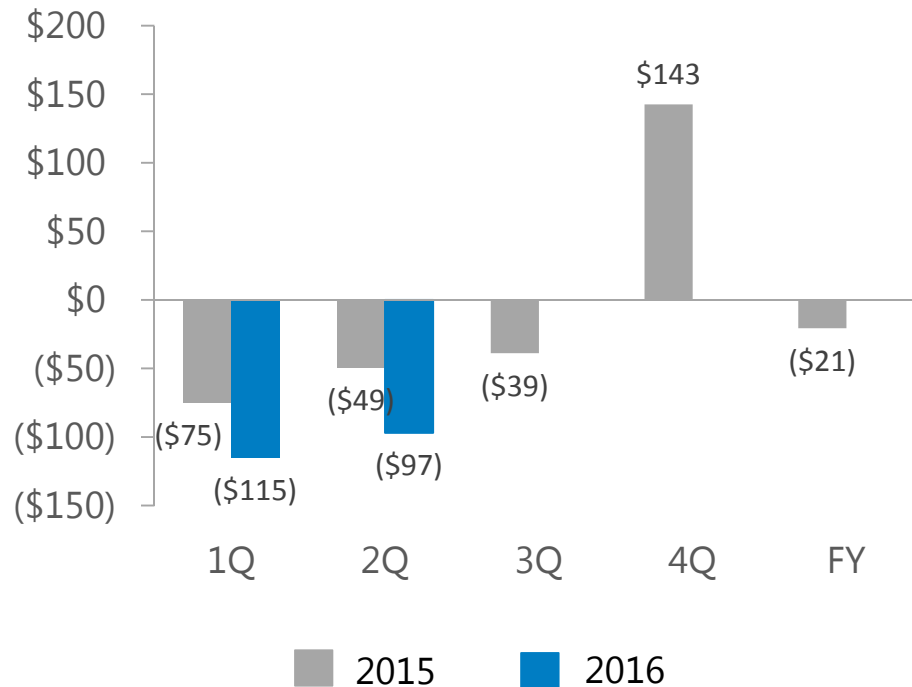
## Notes:

- The restructuring and non-routine items EPS impact as shown are based on gross amounts without adjustment for taxes associated with these items. The cumulative tax EPS impact for restructuring and non-routine items is represented in the tax impact line.
- The sums of the quarterly figures may not equal annual figures due to rounding or differences in the weighted-average number of shares outstanding during the respective periods.

# Free Cash Flow\*

2015 vs. 2016 (\$ in millions)

## Free Cash Flow



## Free Cash Flow (Use):

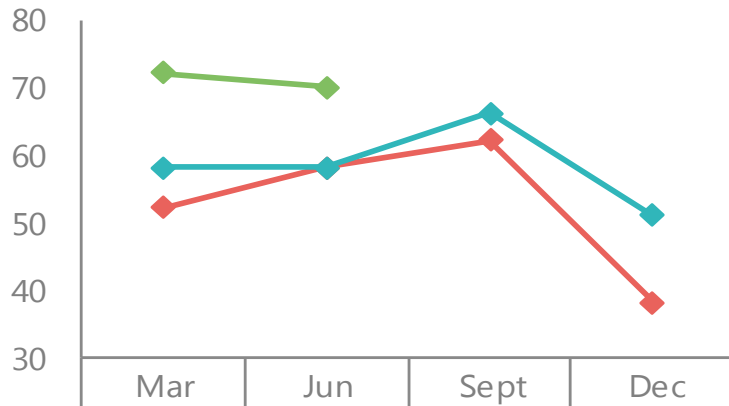
- 2Q free cash use of \$97M, includes \$23M in M&A related fees
- Cash use increased versus the prior year period
  - Higher M&A fees primarily in support of the Wincor Nixdorf acquisition - \$33M YTD
  - Inventory build to support fulfillment of strong order activity
- Steady improvements in A/R in North America as the quarter progressed

\* See reconciliation of GAAP to non-GAAP measures at the end of this presentation



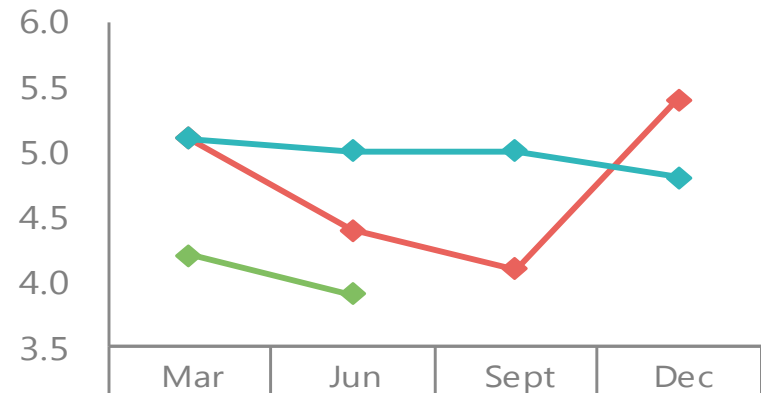
# Working Capital

## Days Sales Outstanding



	Mar	Jun	Sept	Dec
2014	52	58	62	38
2015	58	58	66	51
2016	72	70		

## Inventory Turns

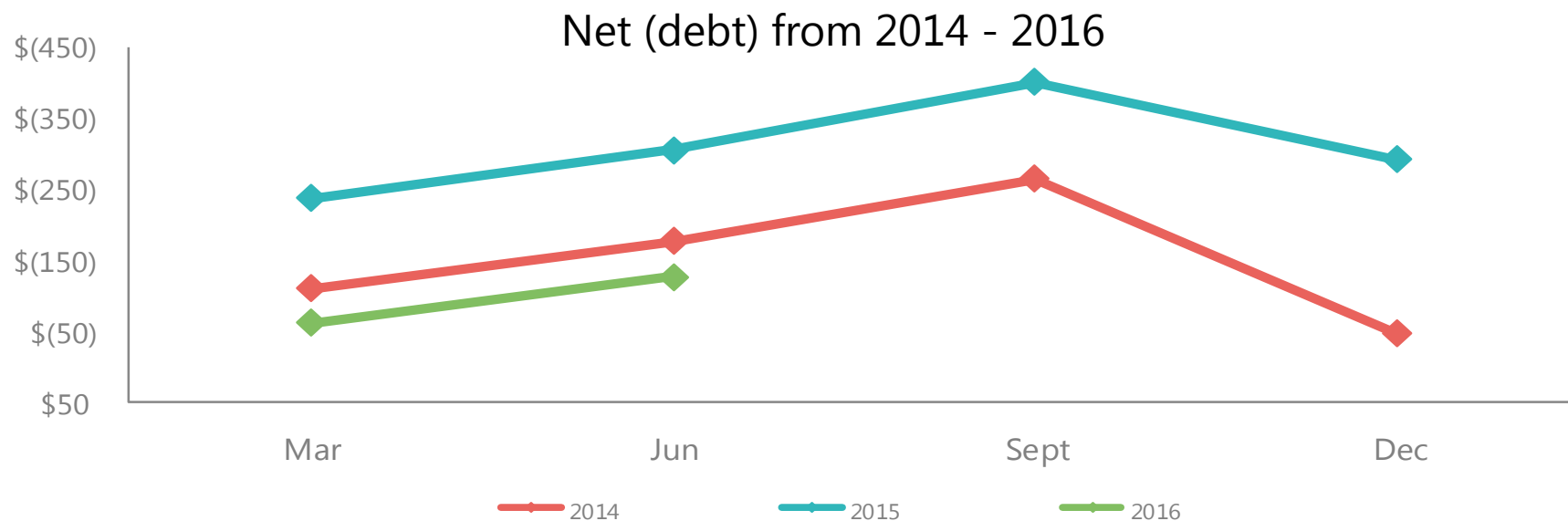


	Mar	Jun	Sept	Dec
2014	5.1	4.4	4.1	5.4
2015	5.1	5.0	5.0	4.8
2016	4.2	3.9		

# Liquidity & Net Debt

(\$ in millions)

	June 30, 2015	Dec. 31, 2015	June 30, 2016
Cash, cash equivalents and other investments (GAAP measure)	\$368.4	\$353.5	\$2,185.1
Debt Instruments	(667.0)	(638.2)	(2,313.0)
<b>Net (debt) (non-GAAP measure)</b>	<b>(\$298.6)</b>	<b>(\$284.7)</b>	<b>(\$127.9)</b>
Net debt to capital* ratio	26.4%	27.1%	4.4%



\* Capital includes Diebold shareholders' equity, excludes non-controlling interest

# Post-close Capital Structure

Anticipated financing and replacement facilities upon closing of the Wincor Nixdorf acquisition and first compliance certificate (\$ in millions)

Financing	Size (M)	Interest Rate Index and Margin	Term	Maturity / Termination Dates
Revolving Credit Facility	\$520	LIBOR + 2.00%	5 Yr	December 2020
Term Loan A Facility	230	LIBOR + 2.00%	5 Yr	December 2020
Delayed Draw Term Loan A	250	LIBOR + 2.00%	5 Yr	December 2020
USD Term Loan B Facility	1,000	LIBOR <sup>(1)</sup> + 4.50%	7.5 Yr	November 2023
EUR Term Loan B Facility	~400	EURIBOR <sup>(2)</sup> + 4.25%	7.5 Yr	November 2023
High Yield Notes	400	8.50%	8 Yr	April 2024
<b>Total</b>	<b>\$2,800</b>	<b>Mid-5%</b>		

Financing in-line with original expectations

1 LIBOR with a floor of 0.75%

2 EURIBOR with a floor of 0.75%

# 2016 Outlook and EPS Bridge

## 2016 Outlook

<b>Total revenue (as reported)</b>	<b>Down 2% to flat</b>
<b>Total revenue (in constant currency)</b>	<b>flat to up 2%</b>
FSS	Flat to up 2%
Security	Flat
Brazil other	~\$55M
<b>2016 EPS (GAAP)</b>	<b>\$0.30 – \$0.50</b>
Restructuring	~\$0.14 - \$0.09
Non-routine (income)/expense:	
Legal, professional fees and other	~\$0.14
Acquisition/divestiture fees <sup>(1)</sup>	~\$1.90
Acquisition related hedging/(income)	~\$(0.20)
Total non-routine (income)/expense	~\$1.85
Tax impact of restructuring and non-routine	\$(0.83)
<b>2016 EPS (non-GAAP)</b>	<b>\$1.45 - \$1.60</b>
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$220M - \$235M</b>
Non-GAAP effective tax rate	~28%
<b>Total free cash flow</b>	<b>~\$150M</b>

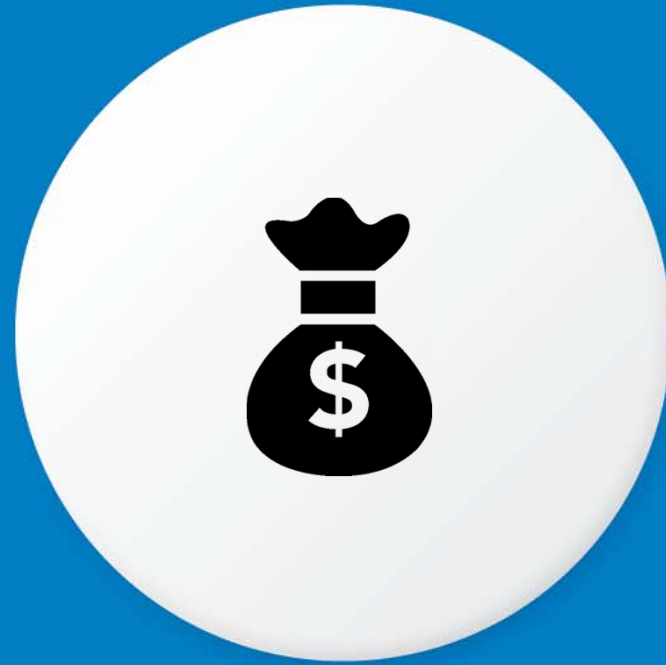
## Non-GAAP EPS Bridge

<b>2015 reported EPS from continuing operations</b>	<b>\$1.58</b>
Normalized tax rate – 28%	\$(0.30)
2016 growth	~\$0.15 – \$0.30
<b>2016 EPS (non-GAAP)</b>	<b>\$1.45 - \$1.60</b>

(1) Includes ~\$1.25 on a gross EPS basis of acquisition-related interest expense

# Thank You





## Supplemental Schedules

# EBITDA Reconciliation

## Reconciliation GAAP to non-GAAP (\$ Millions)

	Q2 2016	Q2 2015	YTD 6/30/2016	YTD 6/30/2015
Net Sales	\$ 580.0	\$ 644.5	\$ 1,089.6	\$ 1,219.3
<b>Net (loss) income</b>	\$ (20.3)	\$ 23.9	\$ 148.2	\$ 18.3
Income tax (benefit) expense	(14.9)	3.1	(15.7)	(0.3)
Interest income	(6.3)	(6.8)	(11.2)	(14.7)
Interest expense	24.3	7.6	35.8	15.6
Depreciation and amortization	15.9	16.7	30.9	32.9
<b>EBITDA</b>	(1.3)	44.5	188.0	51.8
Income from discontinued operations, net of tax	(0.5)	(4.2)	(148.3)	(8.7)
Share-based compensation	4.5	4.8	10.1	9.1
Foreign exchange loss / (gain), net	1.2	1.3	3.6	10.5
Miscellaneous, net	26.8	(0.9)	(7.8)	0.3
Restructuring expenses	5.0	7.1	5.4	10.2
Non-routine expenses	18.2	4.9	32.3	28.9
<b>Adjusted EBITDA</b>	\$ 53.9	\$ 57.5	\$ 83.3	\$ 102.1
Adjusted EBITDA % revenue	9.3%	8.9%	7.6%	8.4%

We define EBITDA as net (loss) income 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 (expense) income 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.

# Q2 2016 Profit & Loss Statement

## Reconciliation GAAP to non-GAAP (\$ Millions)

	2016 (GAAP)	Restructuring	Legal, indem. & prof. fees	Gain on sale of NA Electr. Sec.	Acquisition / divestiture fees	Acq. related hedging (inc)/exp	Brazil Indirect Tax	Other non- routine inc/exp	2016 (non- GAAP)
Total Revenue	\$580.0	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$580.0
<b>Total Gross Profit</b>	<b>\$155.1</b>	<b>\$1.4</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$0.3</b>	<b>\$—</b>	<b>\$156.8</b>
Percent of Net Sales	26.7%								27.0%
<b>Operating Expenses</b>									
Selling, G & A	\$127.3	\$(3.7)	\$(3.4)	\$—	\$(14.5)	\$—	\$—	\$—	\$105.7
R, D & E	\$17.6	\$(0.1)	\$—	\$—	\$—	\$—	\$—	\$—	\$17.5
(Gain)/Loss on Assets	\$(0.1)	\$0.2	\$—	\$—	\$—	\$—	\$—	\$—	\$0.1
Impairment of Assets	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Total Operating Expense	\$144.8	\$(3.6)	\$(3.4)	\$—	\$(14.5)	\$—	\$—	\$—	\$123.3
Percent of Net Sales	25.0%								21.3%
<b>Operating Profit</b>	<b>\$10.3</b>	<b>\$5.0</b>	<b>\$3.4</b>	<b>\$—</b>	<b>\$14.5</b>	<b>\$—</b>	<b>\$0.3</b>	<b>\$—</b>	<b>\$33.5</b>
Percent of Net Sales	1.8%								5.8%
Other income/(expense)	\$(46.0)	\$—	\$—	\$—	\$24.6	\$23.7	\$—	\$—	\$2.1
Inc from Cont Ops before Tax	\$(35.7)	\$5.0	\$3.4	\$—	\$39.0	\$23.7	\$0.3	\$—	\$35.6
Percent of Net Sales	(6.2)%								6.1%
Income Taxes	\$14.9	\$(1.7)	\$(1.3)	\$—	\$(14.9)	\$—	\$—	\$(3.5)	\$(6.4)
<b>Income from Cont Ops</b>	<b>\$(20.8)</b>	<b>\$3.4</b>	<b>\$2.1</b>	<b>\$—</b>	<b>\$24.2</b>	<b>\$23.7</b>	<b>\$0.3</b>	<b>\$(3.5)</b>	<b>\$29.2</b>
Percent of Net Sales	(3.6)%								5.0%
Noncontrol Interest - Net Tax	\$(0.8)	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$(0.7)
<b>Inc from Cont Ops - Net Tax</b>	<b>\$(21.6)</b>	<b>\$3.4</b>	<b>\$2.1</b>	<b>\$—</b>	<b>\$24.2</b>	<b>\$23.7</b>	<b>\$0.3</b>	<b>\$(3.5)</b>	<b>\$28.5</b>
Loss from Disc Ops - Net Tax	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Income on Sale of Disc Ops - Net Tax	\$0.5	\$—	\$—	\$(0.5)	\$—	\$—	\$—	\$—	\$—
<b>Net Income</b>	<b>\$(21.1)</b>	<b>\$3.4</b>	<b>\$2.1</b>	<b>\$(0.5)</b>	<b>\$24.2</b>	<b>\$23.7</b>	<b>\$0.3</b>	<b>\$(3.5)</b>	<b>\$28.5</b>
Percent of Net Sales	(3.6)%								4.9%



# Q2 2015 Profit & Loss Statement

## Reconciliation GAAP to non-GAAP (\$ Millions)

	2015 (GAAP)	Restructuring	Venezuela Divestiture	Legal, indem. & prof. fees	Brazil Indirect Tax	Other non-routine inc/exp	2015 (non-GAAP)
Total Revenue	\$644.5	\$—	\$—	\$—	\$—	\$—	\$644.5
<b>Total Gross Profit</b>	<b>\$170.7</b>	<b>\$2.4</b>	<b>\$—</b>	<b>\$—</b>	<b>\$0.5</b>	<b>\$—</b>	<b>\$173.6</b>
Percent of Net Sales	26.5%						26.9%
<b>Operating Expenses</b>							
Selling, G & A	\$124.9	\$(4.7)	\$(0.8)	\$(4.1)	\$—	\$—	\$115.5
R, D & E	\$23.9	\$—	\$—	\$—	\$—	\$—	\$23.8
(Gain)/Loss on Assets	\$(1.6)	\$—	\$—	\$—	\$—	\$—	\$(1.6)
Impairment of Assets	\$(0.5)	\$—	\$1.0	\$—	\$—	\$(0.5)	\$—
<b>Total Operating Expense</b>	<b>\$146.7</b>	<b>\$(4.7)</b>	<b>\$0.2</b>	<b>\$(4.1)</b>	<b>\$—</b>	<b>\$(0.5)</b>	<b>\$137.6</b>
Percent of Net Sales	22.8%						21.3%
<b>Total Operating Profit</b>	<b>\$24.0</b>	<b>\$7.1</b>	<b>\$(0.2)</b>	<b>\$4.1</b>	<b>\$0.5</b>	<b>\$0.5</b>	<b>\$36.0</b>
Percent of Net Sales	3.7%						5.6%
Other income/(expense)	\$(1.2)	\$—	\$—	\$—	\$—	\$—	\$(1.1)
Inc from Cont Ops before Tax	\$22.8	\$7.1	\$(0.2)	\$4.1	\$0.5	\$0.5	\$34.9
Percent of Net Sales	3.5%						5.4%
Income Taxes	\$(3.1)	\$(1.7)	\$(0.1)	\$(1.6)	\$(0.2)	\$(2.5)	\$(9.1)
<b>Income from Cont Ops</b>	<b>\$19.7</b>	<b>\$5.5</b>	<b>\$(0.3)</b>	<b>\$2.5</b>	<b>\$0.3</b>	<b>\$(2.0)</b>	<b>\$25.8</b>
Percent of Net Sales	3.1%						4.0%
Noncontrol Interest - Net Tax	\$(1.7)	\$—	\$0.2	\$—	\$—	\$—	\$(1.5)
<b>Inc from Cont Ops - Net Tax</b>	<b>\$18.0</b>	<b>\$5.5</b>	<b>\$—</b>	<b>\$2.5</b>	<b>\$0.3</b>	<b>\$(2.0)</b>	<b>\$24.3</b>
Income from Disc Ops - Net Tax	\$4.2	\$—	\$—	\$—	\$—	\$—	\$4.2
<b>Net Income</b>	<b>\$22.2</b>	<b>\$5.5</b>	<b>\$—</b>	<b>\$2.5</b>	<b>\$0.3</b>	<b>\$(2.0)</b>	<b>\$28.5</b>
Percent of Net Sales	3.4%						4.4%

## Q2 2016 Product & Service Gross Profit

Reconciliation GAAP to non-GAAP (\$ Millions)

	2016 (GAAP)	Restructuring	Brazil Indirect Tax	2016 (non-GAAP)
Service Revenue	\$356.5	—	—	\$356.5
Product Revenue	\$223.5	—	—	\$223.5
Total Revenue	\$580.0	—	—	\$580.0
Service Gross Profit	\$121.1	1.4	—	\$122.5
Percent of Net Sales	34.0%			34.4%
Product Gross Profit	\$34.0	—	0.3	\$34.3
Percent of Net Sales	15.2%			15.3%
<b>Total Gross Profit</b>	<b>\$155.1</b>	<b>1.4</b>	<b>0.3</b>	<b>\$156.8</b>
Percent on Net Sales	26.7%			27.0%

# Q2 2015 Product & Service Gross Profit

Reconciliation GAAP to non-GAAP (\$ Millions)

	2015 (GAAP)	Restructuring	Brazil Indirect Tax	2015 (non-GAAP)
Service Revenue	\$352.9	—	—	\$352.9
Product Revenue	\$291.6	—	—	\$291.6
Total Revenue	\$644.5	—	—	\$644.5
Service Gross Profit	\$118.6	1.1	—	\$119.7
Percent of Net Sales	33.6%			33.9%
Product Gross Profit	\$52.1	1.3	0.5	\$53.9
Percent of Net Sales	17.9%			18.5%
<b>Total Gross Profit</b>	<b>\$170.7</b>	<b>2.4</b>	<b>0.5</b>	<b>\$173.6</b>
Percent on Net Sales	26.5%			26.9%

# YTD 2016 Profit & Loss Statement

## Reconciliation GAAP to non-GAAP (\$ Millions)

	2016 (GAAP)	Restructuring	Gain on sale of NA Electr. Sec	Legal, indem. & prof. fees	Acquis. / divest. fees	Acq. Related Hedging	Brazil Indirect Tax	Other non- routine inc/exp	2016 (non- GAAP)
Total Revenue	\$1,089.6	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$1,089.6
<b>Total Gross Profit</b>	<b>\$293.9</b>	<b>\$1.7</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$0.6</b>	<b>\$—</b>	<b>\$296.2</b>
Percent of Net Sales	27.0%								27.2%
<b>Operating Expenses</b>									
Selling, G & A	\$252.9	\$(3.6)	\$—	\$(6.2)	\$(25.4)	\$—	\$—	\$—	\$217.6
R, D & E	\$36.1	\$(0.1)	\$—	\$—	\$—	\$—	\$—	\$—	\$36.0
(Gain)/Loss on Assets	\$0.3	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$0.3
Impairment of Assets	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Total Operating Expense	\$289.3	\$(3.7)	\$—	\$(6.2)	\$(25.4)	\$—	\$—	\$—	\$254.0
Percent of Net Sales	26.6%								23.3%
<b>Total Operating Profit</b>	<b>\$4.6</b>	<b>\$5.4</b>	<b>\$—</b>	<b>\$6.2</b>	<b>\$25.4</b>	<b>\$—</b>	<b>\$0.6</b>	<b>\$—</b>	<b>\$42.2</b>
Percent of Net Sales	0.4%								3.9%
Other income/(expense)	\$(20.4)	\$—	\$—	\$—	\$28.4	\$(12.9)	\$—	\$—	\$(5.0)
Inc from Cont Ops before Tax	\$(15.8)	\$5.4	\$—	\$6.2	\$53.9	\$(12.9)	\$0.6	\$—	\$37.3
Percent of Net Sales	(1.5)%								3.4%
Income Taxes	\$15.7	\$(1.8)	\$—	\$(2.4)	\$(20.3)	\$—	\$—	\$(0.8)	\$(9.6)
<b>Income from Cont Ops</b>	<b>\$(0.1)</b>	<b>\$3.6</b>	<b>\$—</b>	<b>\$3.9</b>	<b>\$33.6</b>	<b>\$(12.9)</b>	<b>\$0.6</b>	<b>\$(0.8)</b>	<b>\$27.7</b>
Percent of Net Sales	—%								2.5%
Noncontrol Interest - Net Tax	\$(1.1)	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$(1.0)
<b>Inc from Cont Ops - Net Tax</b>	<b>\$(1.2)</b>	<b>\$3.6</b>	<b>\$—</b>	<b>\$3.9</b>	<b>\$33.6</b>	<b>\$(12.9)</b>	<b>\$0.6</b>	<b>\$(0.8)</b>	<b>\$26.7</b>
Loss from Disc Ops - Net Tax	\$(1.3)	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$(1.3)
Income on Sale of Disc Ops - Net Tax	\$149.6	\$—	\$(149.5)	\$—	\$—	\$—	\$—	\$—	\$—
Net Income	\$147.1	\$3.6	\$(149.5)	\$3.9	\$33.6	\$(12.9)	\$0.6	\$(0.8)	\$25.4
Percent of Net Sales	13.5%								2.3%

# YTD 2015 Profit & Loss Statement

## Reconciliation GAAP to non-GAAP (\$ Millions)

	2015 (GAAP)	Restructuring	Software Impairment	Venezuela Divestiture	Venezuela Devaluation	Legal, indem. & prof. fees	Brazil Indirect Tax	Other non-routine inc/exp	2015 (non-GAAP)
Total Revenue	\$1,219.3	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$1,219.3
<b>Total Gross Profit</b>	<b>\$330.0</b>	<b>\$2.4</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$0.5</b>	<b>\$—</b>	<b>\$332.9</b>
Percent of Net Sales	27.1%								27.3%
<b>Operating Expenses</b>									
Selling, G & A	\$245.4	\$(7.3)	\$—	\$(0.8)	\$—	\$(8.7)	\$—	\$—	\$228.8
R , D & E	\$46.2	\$(0.6)	\$—	\$—	\$—	\$—	\$—	\$—	\$45.6
(Gain)/Loss on Assets	\$(1.5)	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$(1.5)
Impairment of Assets	\$18.9	\$—	\$(9.1)	\$(9.3)	\$—	\$—	\$—	\$(0.5)	\$—
Total Operating Expense	\$309.0	\$(7.8)	\$(9.1)	\$(10.1)	\$—	\$(8.7)	\$—	\$(0.5)	\$272.8
Percent of Net Sales	25.3%								22.4%
<b>Total Operating Profit</b>	<b>\$21.0</b>	<b>\$10.2</b>	<b>\$9.1</b>	<b>\$10.1</b>	<b>\$—</b>	<b>\$8.7</b>	<b>\$0.5</b>	<b>\$0.5</b>	<b>\$60.1</b>
Percent of Net Sales	1.7%								4.9%
Other income/(expense)	\$(11.7)	\$—	\$—	\$—	\$7.5	\$—	\$—	\$—	\$(4.2)
Inc from Cont Ops before Tax	\$9.3	\$10.2	\$9.1	\$10.1	\$7.5	\$8.7	\$0.5	\$0.5	\$55.9
Percent of Net Sales	0.8%								4.6%
Income Taxes	\$0.3	\$(1.6)	\$(3.4)	\$(2.4)	\$(1.7)	\$(3.3)	\$(0.2)	\$(2.0)	\$(14.3)
<b>Income from Cont Ops</b>	<b>\$9.6</b>	<b>\$8.6</b>	<b>\$5.7</b>	<b>\$7.7</b>	<b>\$5.8</b>	<b>\$5.4</b>	<b>\$0.3</b>	<b>\$(1.5)</b>	<b>\$41.6</b>
Percent of Net Sales	0.8%								3.4%
Noncontrol Interest - Net Tax	\$1.1	\$—	\$—	\$(2.7)	\$(1.1)	\$—	\$—	\$—	\$(2.6)
<b>Inc from Cont Ops - Net Tax</b>	<b>\$10.7</b>	<b>\$8.6</b>	<b>\$5.7</b>	<b>\$5.0</b>	<b>\$4.7</b>	<b>\$5.4</b>	<b>\$0.3</b>	<b>\$(1.5)</b>	<b>\$39.0</b>
Loss from Disc Ops - Net Tax	\$8.7	\$—	\$—	\$—	\$—	\$—	\$—	\$—	\$8.8
Net Income	\$19.4	\$8.6	\$5.7	\$5.0	\$4.7	\$5.4	\$0.3	\$(1.5)	\$47.8
Percent of Net Sales	1.6%								3.9%

# YTD 2016 Product & Service Gross Profit

Reconciliation GAAP to non-GAAP (\$ Millions)

	2016 (GAAP)	Restructuring	Brazil Indirect Tax	2016 (non-GAAP)
Service Revenue	\$693.2	—	—	\$693.2
Product Revenue	\$396.4	—	—	\$396.4
Total Revenue	\$1,089.6	—	—	\$1,089.6
Service Gross Profit	\$229.3	\$1.7	—	\$231.0
Percent of Net Sales	33.1%			33.3%
Product Gross Profit	\$64.6	\$—	\$0.6	\$65.2
Percent of Net Sales	16.3%			16.4%
<b>Total Gross Profit</b>	<b>\$293.9</b>	<b>\$1.7</b>	<b>\$0.6</b>	<b>\$296.2</b>
Percent on Net Sales	27.0%			27.2%

# YTD 2015 Product & Service Gross Profit

Reconciliation GAAP to non-GAAP (\$ Millions)

	2015 (GAAP)	Restructuring	Brazil Indirect Tax	2015 (non-GAAP)
Service Revenue	\$694.5	—	—	\$694.5
Product Revenue	\$524.8	—	—	\$524.8
Total Revenue	\$1,219.3	—	—	\$1,219.3
Service Gross Profit	\$230.3	\$1.1	—	\$231.4
Percent of Net Sales	33.2%			33.3%
Product Gross Profit	\$99.7	\$1.3	0.5	\$101.5
Percent of Net Sales	19.0%			19.3%
<b>Total Gross Profit</b>	<b>\$330.0</b>	<b>\$2.4</b>	<b>0.5</b>	<b>\$332.9</b>
Percent on Net Sales	27.1%			27.3%

# Free Cash Flow From Continuing Operations Reconciliation

(\$ Millions)

	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>	<u>4Q15</u>	<u>1Q16</u>	<u>2Q16</u>
Net cash provided by (used in) operating activities	\$(65)	\$(35)	\$(23)	\$155	\$(110)	\$(90)
Capital expenditures	\$(10)	\$(14)	\$(16)	\$(12)	\$(5)	\$(7)
<b>Free cash flow (use) (non-GAAP measure)</b>	<b>\$(75)</b>	<b>\$(49)</b>	<b>\$(39)</b>	<b>\$143</b>	<b>\$(115)</b>	<b>\$(97)</b>

	2013	2014	2015	2016 Outlook
Net cash provided by/(used in) operating activities (GAAP measure)	\$123	\$189	\$32	~\$190
Capital expenditures	\$(34)	\$(60)	\$(52)	~\$(40)
<b>Free cash flow/(use) (non-GAAP measure)</b>	<b>\$89</b>	<b>\$129</b>	<b>\$(20)</b>	<b>~\$150M</b>