



## Wedbush 2012 Technology, Media & Telecommunications Conference

March 7, 2012

**Brad Richardson**  
Executive Vice President and CFO

## Use of Non-GAAP Financial Information

*Diebold has included non-GAAP financial measures in this presentation to supplement Diebold's consolidated condensed 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 non-GAAP product, service and total gross margins, non-GAAP operating expense, non-GAAP operating profit, non-GAAP tax rate, non-GAAP net earnings, and non-GAAP diluted earnings per share, and excludes the Brazilian elections systems business, 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.*

*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 asset 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 press release, 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:

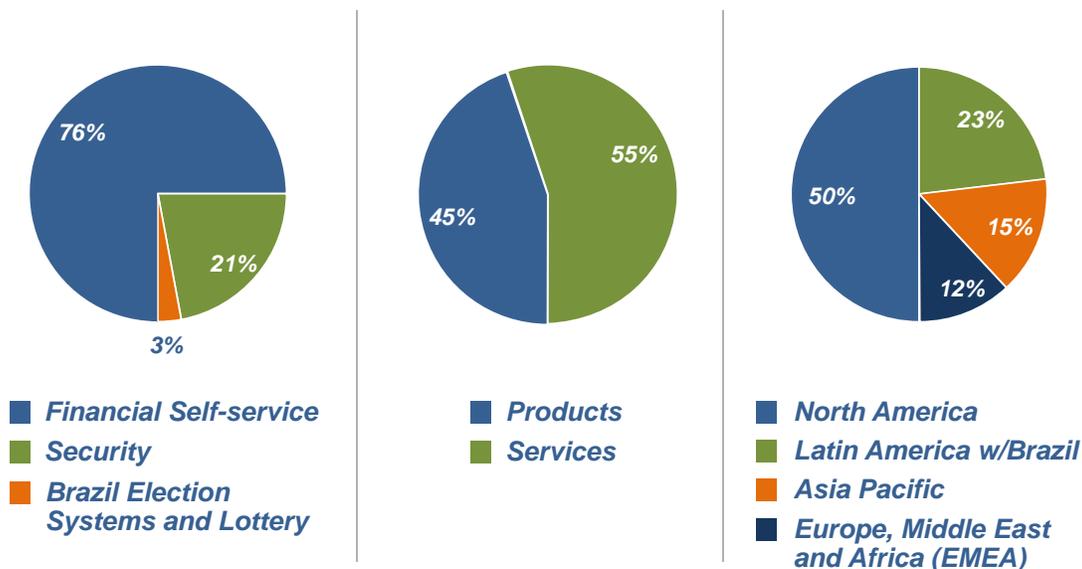
- \* competitive pressures, including pricing pressures and technological developments;
- \* changes in the company's relationships with customers, suppliers, distributors and/or partners in its business ventures;
- \* changes in political, economic or other factors such as currency exchange rates, inflation rates, recessionary or expansive trends, taxes and regulations and laws affecting the worldwide business in each of the company's operations, including Brazil, where a significant portion of the company's revenue is derived;
- \* the amount of cash and non-cash charges in connection with the restructuring of the company's EMEA operations;
- \* 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 repatriate cash and cash equivalents and short-term investments residing in international tax jurisdictions could negatively impact foreign and domestic taxes;
- \* unanticipated litigation, claims or assessments, as well as the impact of any current/pending lawsuits;
- \* 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 health care costs, including those that may result from government action;
- \* the amount and timing of repurchases of the company's common shares, if any;
- \* the outcome of the company's global FCPA review and any actions taken by government agencies in connection with the company's self disclosure, including the pending SEC investigation; and
- \* the company's ability to achieve benefits from its cost-reduction initiatives and other strategic changes, including its restructuring actions.

# Overview



Revenue Mix: Company, Products vs. Services, Geographic

2011 Revenue of \$2.84B and EPS of \$2.74\*



\*Includes at \$0.43 Brazil Tax Adjustment

# Key Assumptions and Growth Strategies



Plan Sets Us on the Path for 1st Tier Performance

## Key Assumptions

- Modest global economic recovery, with Europe uncertainty
- Headwinds of global price pressures and cyclicalty of large tenders (i.e., voting)
- Expectation of continued service margin expansion as we gain scale in IS offerings
- Completion of aggressive restructuring in EMEA results in measured operational performance improvement

## Key Growth Strategies

- Software-led services
- Deposit automation
- Electronic security
- Global opportunities in emerging markets

### Operating Targets

Revenue Growth (%)	4% - 6%
OP Margin (%)	10%
ROCE (%)	15%

# Growth Strategies: Software-led Services



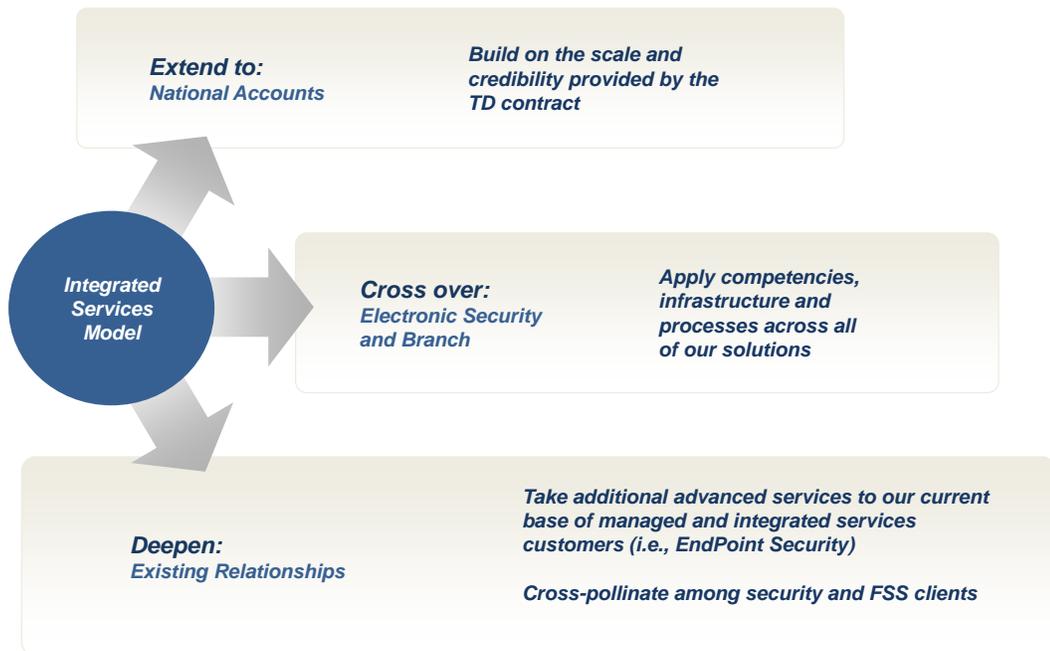
Integrated Services



# Growth Strategies: Software-led Services



Integrated Services Model Extension Driving New Opportunities

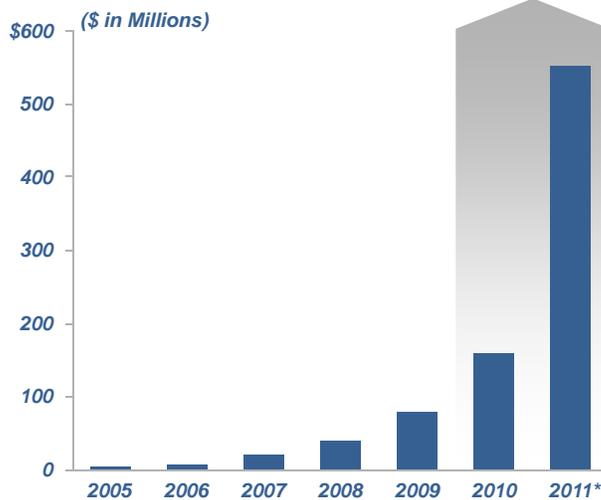


# Growth Strategies: Software-led Services



Integrated Services Growth Across All Segments of the Market

## Total Contract Value



## Sustainable Value Proposition

- Enhance competitiveness and stay current with emerging technologies
- Maintain compliance, enhance security and improve efficiencies
- Improve availability
- Enhance consumer experience
- Single point of contact
- Preserve capital
- End-to-end program management
- Leverage Diebold's scale

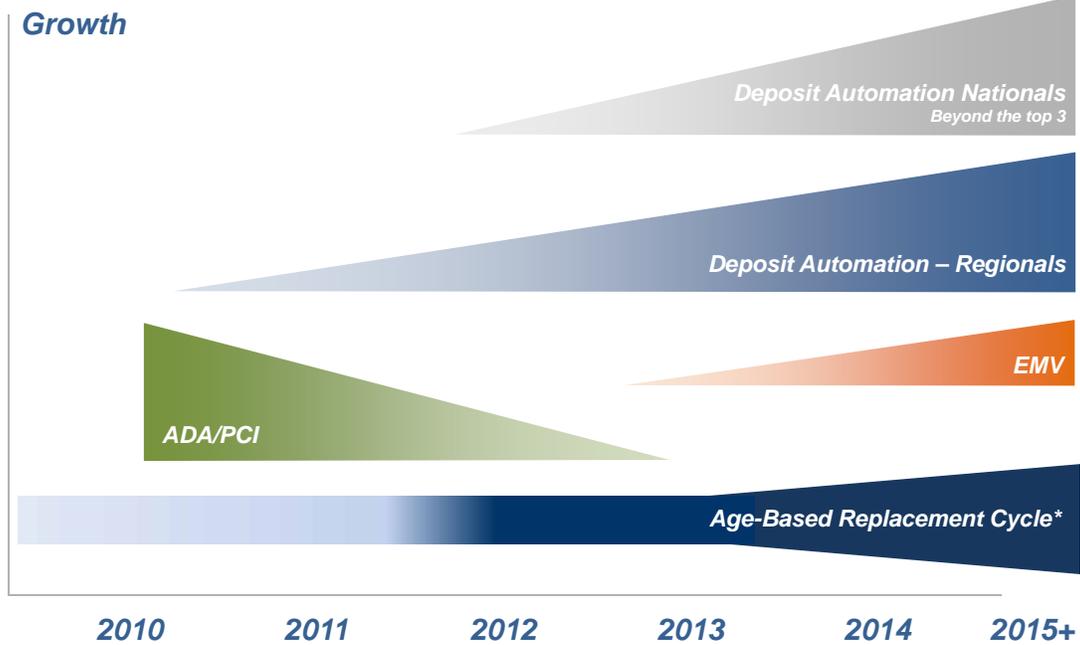
\*North America contracts only, including ~14,000 ATMs (4,400 related to TD).

Total Contract Value represents cumulative revenue over the life of the contract – typically five years

# Growth Strategies: Deposit Automation



Financial Self-service Market Drivers

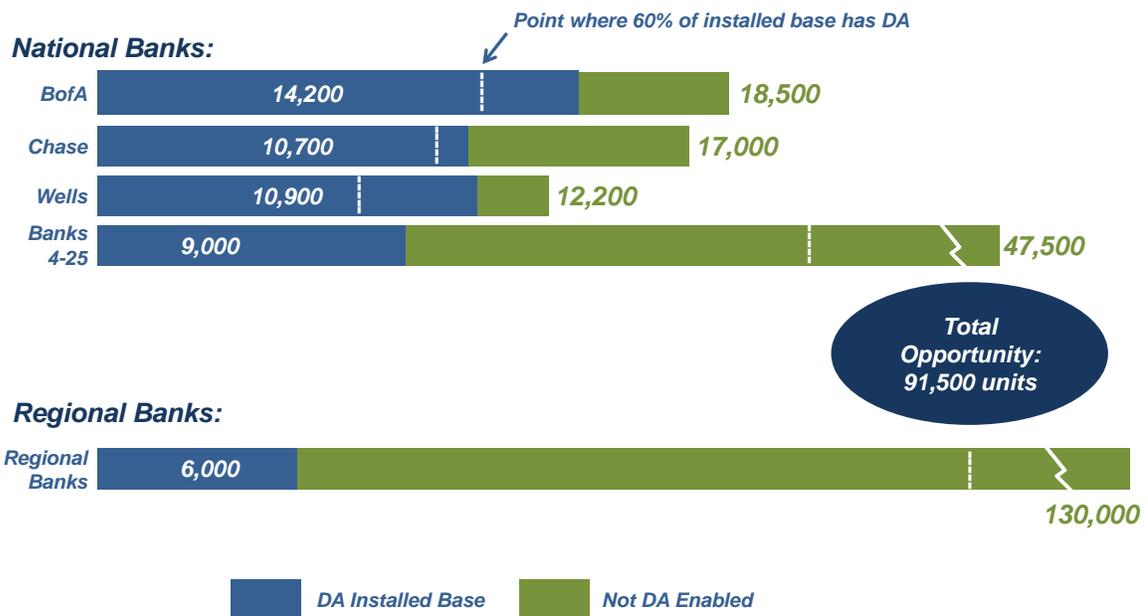


\*Integrated Services outsourcing model, technology advances, TCO advantages accelerate the historical replacement cycle

# Growth Strategies: Deposit Automation



U.S. Opportunity – Total Market Installs



# Growth Strategies: Security

Security Solutions

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## Physical (Branch and Barrier products)

- Safes and vaults
- Drive-up
- Undercounter equipment
- After-hour depository

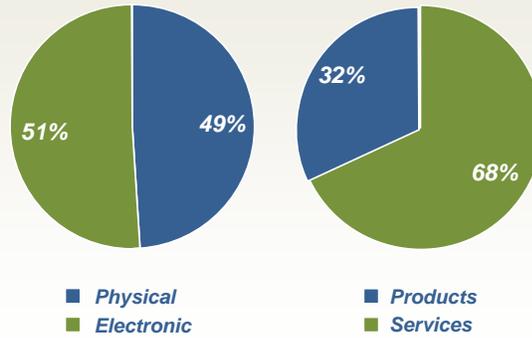
## Electronic (Intrusion Detection)

- Alarms
- Video surveillance
- Access control
- Intrusion
- Data loss prevention

## Services

- Monitoring
- Preventative maintenance/break-fix
- Implementation
- Project management
- Engineering and design

Revenue Breakdown  
\$606 Million



# Growth Strategies: Security

North America Physical Security Business Overview

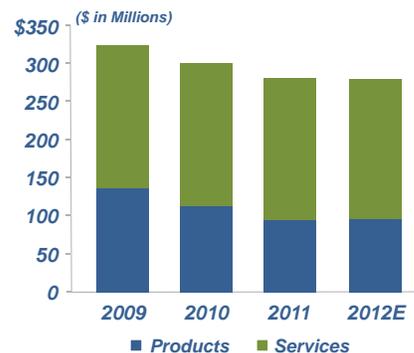
**DEBOLD**  
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**While both segments of our security business are profitable, the physical security market is declining**



- Business tied to new branch construction
- Market declined through 2011
- Very profitable; requires little capital investment
- Market leader/strong brand (FI market)
- Strong, recurring cash flow business

Physical Security Revenue



# Growth Strategies: Security

North America Electronic Security Business Overview

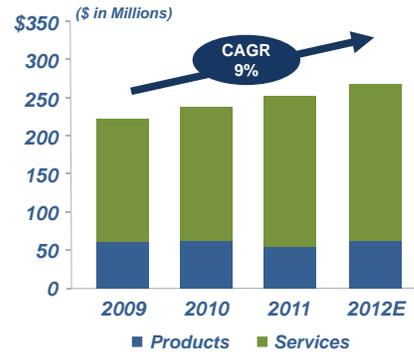


**While both parts of our security business are profitable, electronic security has a much more attractive growth profile**



- Market is large, growing and profitable
- Financial market is ~\$1.8B and growing with CAGR >5%
- Profitability is concentrated in services with strong recurring revenue streams
- Low capital investment
- Diebold has relatively low market penetration despite strong brand

## Electronic Security Revenue\*



\*Excludes exited business segments

# Growth Strategies: Security

Electronic Security Integrated Services



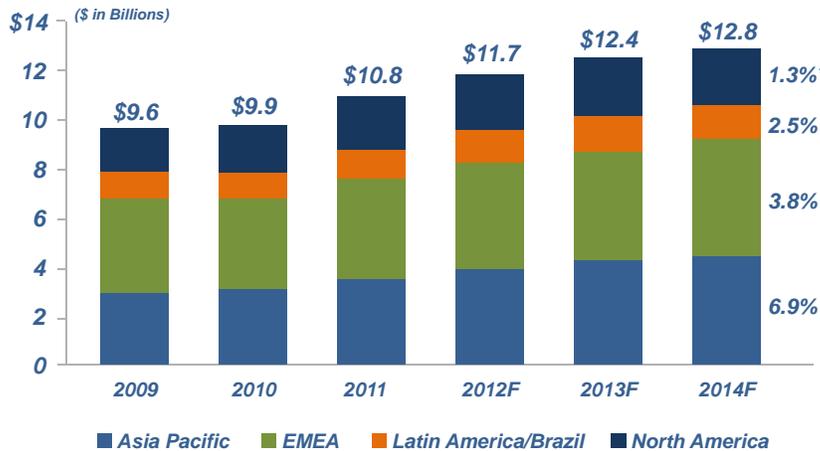
- Leverage our innovative integrated services model
- Drive Diebold Advanced Services Platform across both self-service and security
- Leverage our strong brand in the banking space
- Capabilities to provide solutions for both complex systems (e.g., headquarters, regional offices) and branches

# Growth Strategies: Global Opportunities

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Global Financial Self-service Annual Market Size and Growth

## Growth returned in 2011 to the global self-service market



- North America will grow with focus on managed services and deposit automation
- Latin America/Brazil shows steady growth – Diebold is well positioned in this region
- EMEA is a volatile region showing continued growth, but weakness in the economy may slow the bank market
- Asia Pacific is growing fast – competition is rapidly intensifying

\*2012- 2014 CAGRs

Source: Diebold Estimates, RBR and Phoenix Consulting

## Transforming our Business

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Industry Innovations

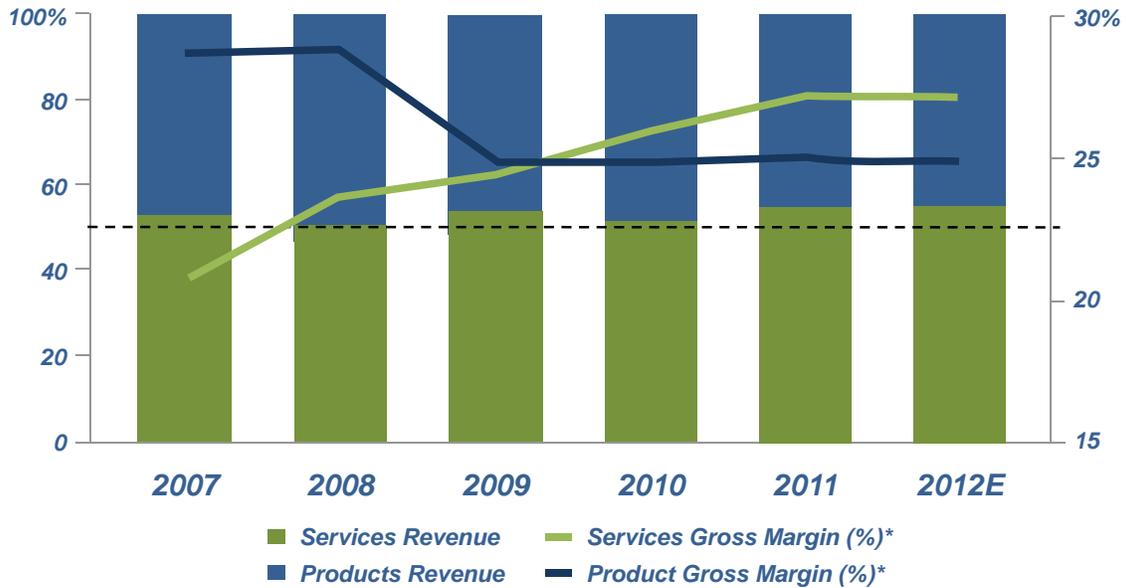
- **Building the foundation to deliver value to customers in the years ahead**
  - Opteva® Flex Performance<sup>SM</sup> Series – most robust FSS terminal we have offered
  - Introduced prototype of the world's first virtualized ATM
  - Demonstrated the first concept ATM in the world to use 4G technology
  - Continue to grow our Diebold Integrated Services® (IS) offerings
  - In security, launching industry-leading IS offering
- **These recent innovations demonstrate Diebold continues to lead our industry to support a broad portfolio of services**



# Revenue and Gross Margin



By Year



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

# Op. Ex. as a Percentage of Revenue

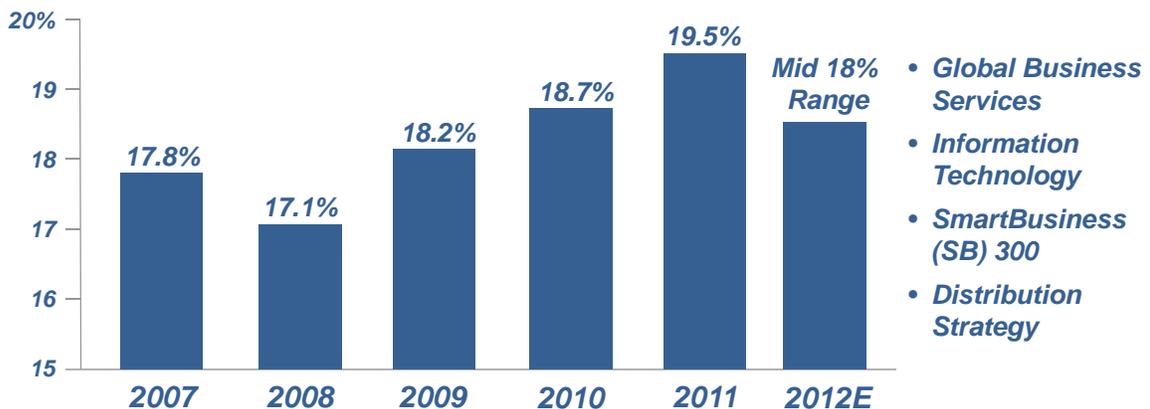


Non-GAAP\* 2010 vs. 2011 (%)



Focus on cost of goods sold

Focus on operating expense

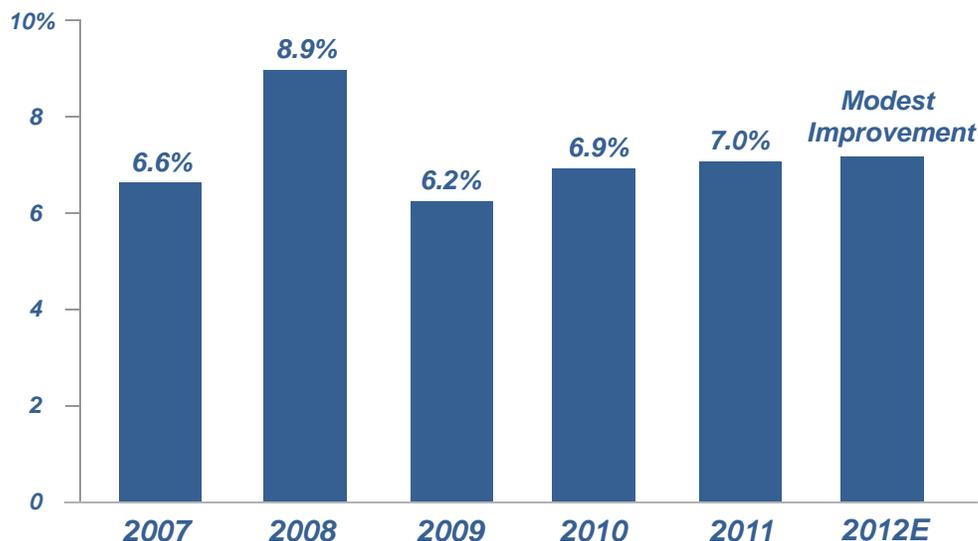


\* See reconciliation of GAAP to non-GAAP measures at the end of this presentation

## Operating Profit



Non-GAAP\* 2010 vs. 2011 (%)

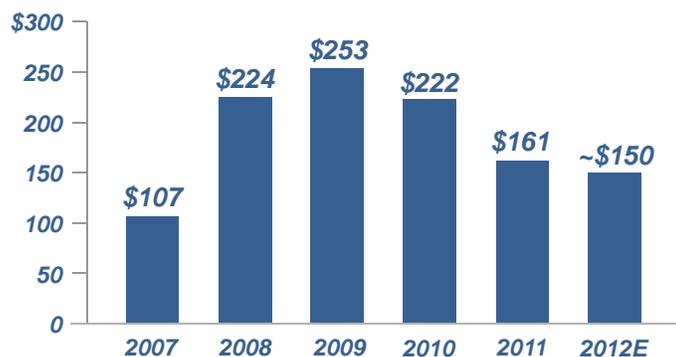


\* See reconciliation of GAAP to non-GAAP measures at the end of this presentation

## Free Cash Flow



\$ in Millions



### Since 2007

- Cash flow from operations was \$1.2B
- Returned \$343M to shareholders in the form of dividends
- Reduced net debt from (\$324.7M) to (\$7.7M) in 2011
- Invested \$280M in capital expenditures and acquisitions
- Spent \$359M on R&D
- Share repurchase totaled \$140M

2007-2011		
Cash Flow from Operations		\$1.2B
Less: CapEx		280M
Dividends		343M
Share Repurchases		140M

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

## Dividend 2012 – 59<sup>th</sup> Consecutive Increase



Sustained with Steady Stream of Services Revenue



## 2012 Outlook



As reported on Feb. 13, 2012

### Revenue

*Total revenue*

*Financial self-service*

*Security*

*Brazil elections & lottery*

### Current Guidance

3% to 6%

5% to 8%

1% to 4%

\$60M to \$90M

### Earnings per share

*2012 EPS (GAAP)*

\$2.18 - \$2.41

*Restructuring charges*

0.08 - 0.06

*Non-routine expense*

0.04 - 0.03

*2012 EPS non-GAAP*

\$2.30 - \$2.50

# Operating Targets



## Revenue Growth

- 4% - 6%

## Return on Capital Employed

- 15%

## Cash Conversion Cycle

- ~ 60

## Net Debt/Total Capital

- Not to exceed 35%

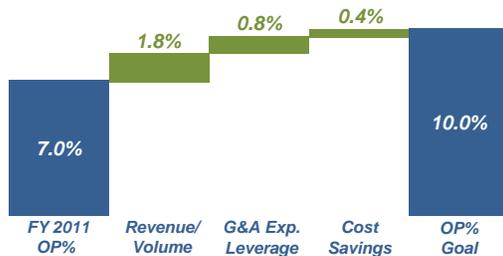
## Percent of Sales

- R&D: 4% - 5% of prod. revenue

- Operating margin:

- 10% based on modest rev. growth and stable pricing

## OP% Bridge



# Summary



- **Transforming to a world-class software-led services culture**
  - Services becomes a source of sustainable competitive advantage
  - Software competency is the key enabler
- **Executing on core strategies:**
  - Software-led services
  - Deposit automation
  - Electronic security
  - Global opportunities in emerging markets
- **Balance sheet remains strong**
- **Unsurpassed dividend track record with 59 years of consecutive increases**



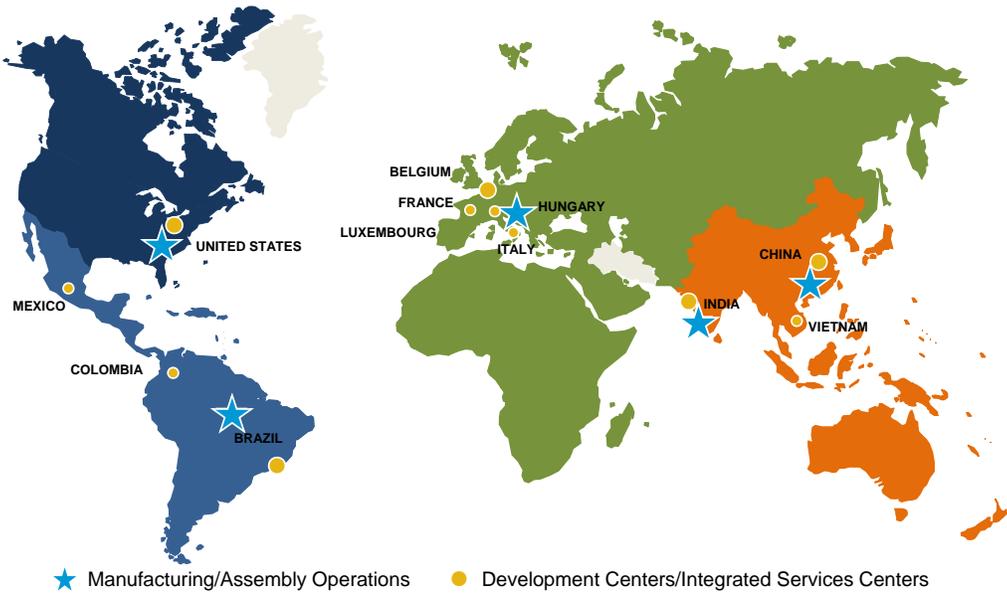
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*Thank you. Questions?*

**Supplemental Slides**

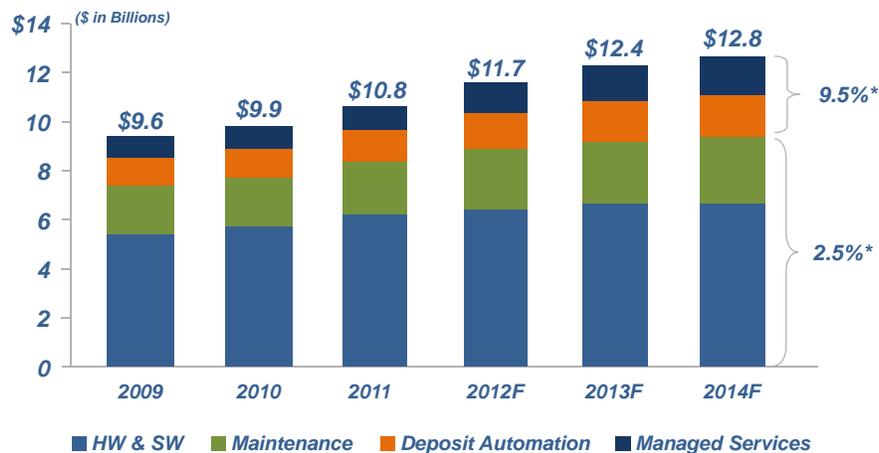
# Global Operations Review



# Global Financial Self-service

Annual Market Size and Growth by Solution

**The market is forecasted to grow steadily with managed services and deposit automation (DA) as the primary growth drivers**



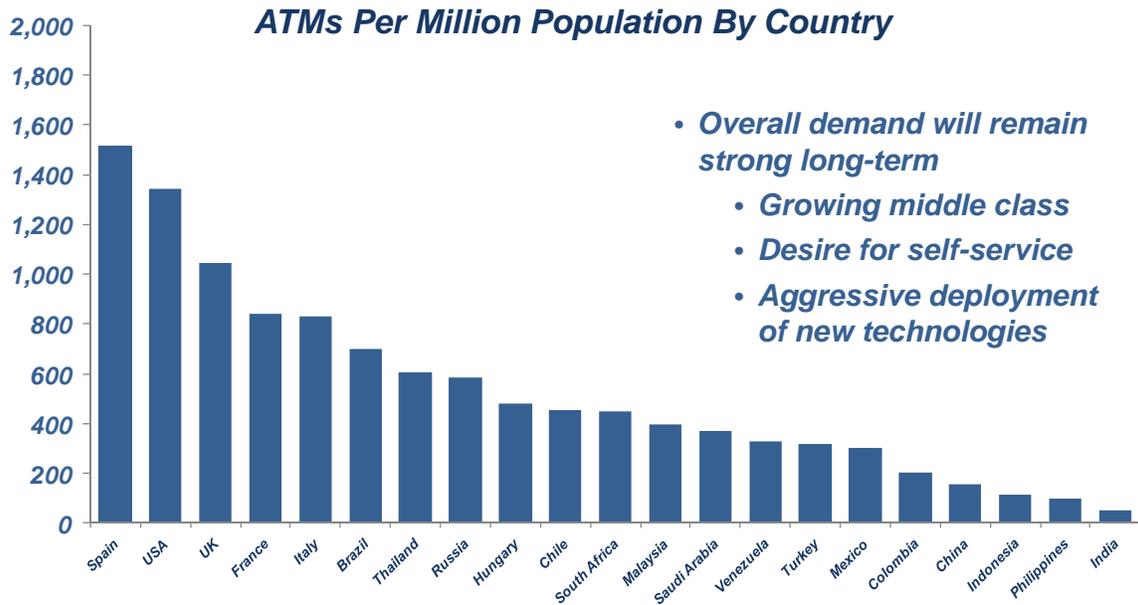
\*2012-2014 CAGRs

Source: Diebold Estimates, RBR, Phoenix Consulting

# ATMs Per Million Population By Country



Emerging Markets – ATM Penetration Examples



- Overall demand will remain strong long-term
  - Growing middle class
  - Desire for self-service
  - Aggressive deployment of new technologies

Source: RBR 2009 Data

# North America Overview



## Highlights

- Delivering services to both financial self-service and security markets
- Financial industry's leading services organization
- Record Diebold Integrated Services® year with \$576M in total contract value

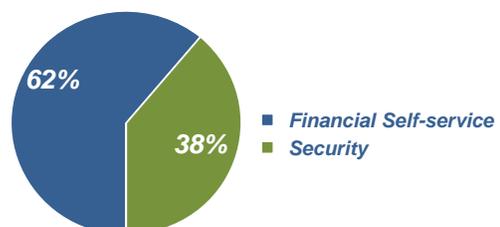
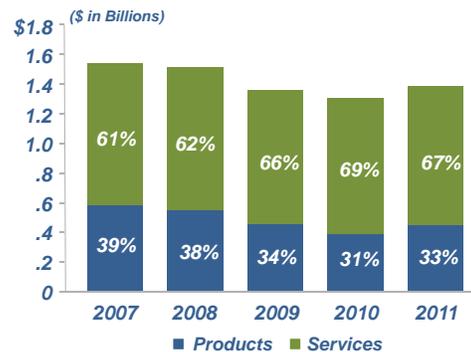
## Market Innovator

- 2011 Security Distributing and Marketing Systems Integrator of the Year
- Enterprise software platform to manage identities, compliance and security situations across multiple World Trade Center sites
- Integrated Services business model
- ATM Virtualization, 4G Enablement, Flex Performance Series

## Regional Statistics

- Number of employees: ~ 7,000
- Number of service technicians: ~ 3,100
- 2011 revenue: \$1.4B

## Revenue Breakdown



# North America Overview

Financial Self-service Market Outlook



## Market Trends and Characteristics

- Our solutions fit well with market dynamics
  - Capital constraints
  - Increasing cost of compliance
  - Competitive pressure for regionals to offer services provided by the national accounts
- Projected double-digit growth in managed services and deposit automation from 2012 - 2014
- Short-term drivers: ADA, PCI and deposit automation (DA)
- Long-term drivers:
  - DA
  - Transaction migration
  - Europay, MasterCard and Visa (EMV) standards
- Innovation is accelerating the traditional age-based ATM replacement cycle

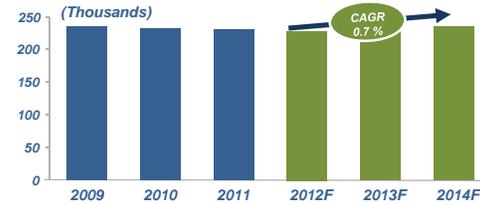
\*2012 - 2014 CAGRs

Source: RBR, Diebold Estimates

## Annual Market Size and Growth



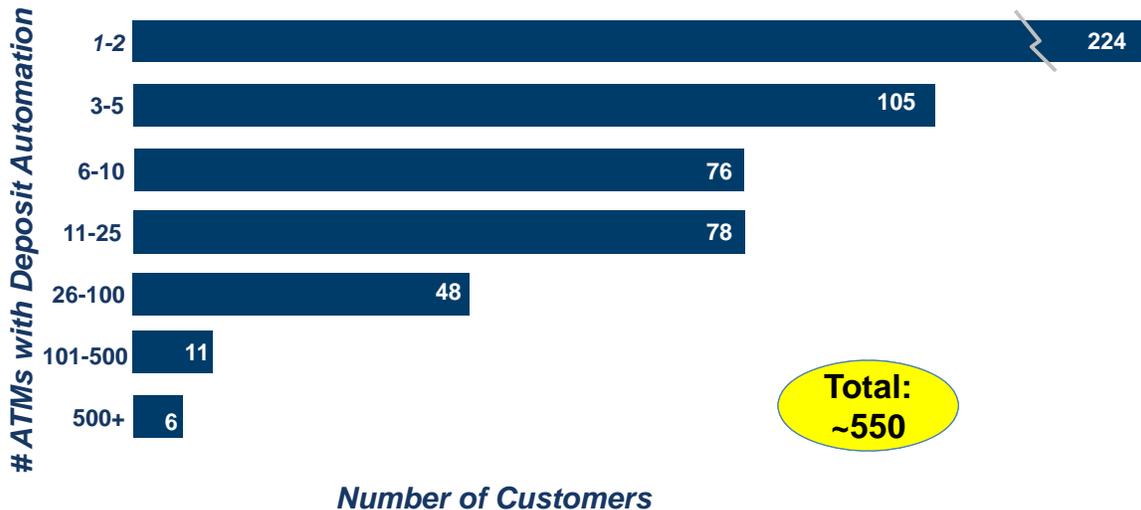
## ATM Installed Base Projection



Diebold Market Share:  
~50% – #1 Position

# North America: Deposit Automation

U.S. Market Acceptance (as of 12/31/11) – DBD Only



- Data includes both installed and pending (order entry) deposit-automation equipped ATMs  
 - Data reflects only active sites under service contract or flagged for future service contract

# North America Overview

Service is a Core Strength

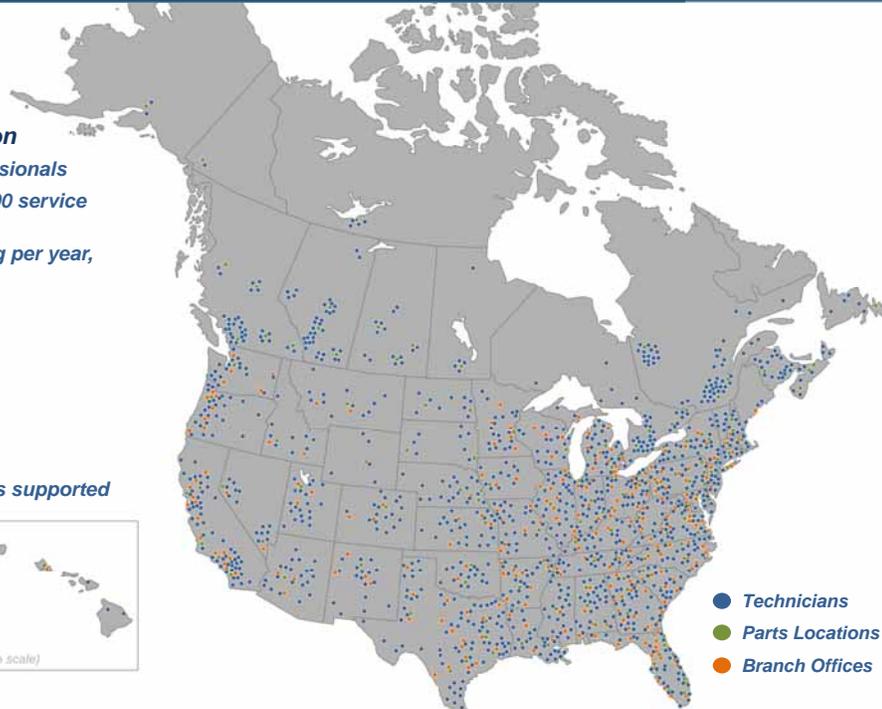


## Service Organization

- 4,700 service professionals
  - Including 3,100 service technicians
- 120 hours of training per year, per associate
- 300 parts locations
- 110 branch offices

## Service Base

- \$1B revenue
- 115,000 ATMs
- 800,000 total devices supported



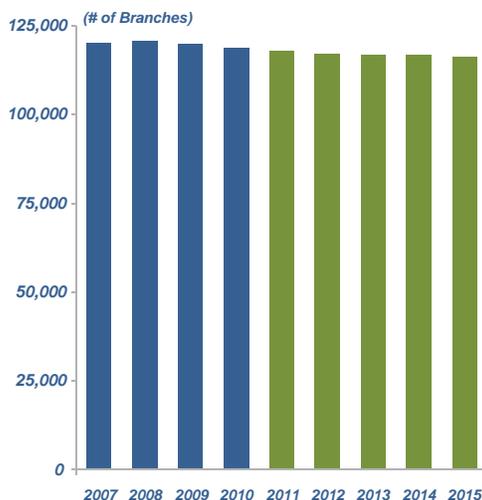
- Technicians
- Parts Locations
- Branch Offices

# North America: U.S. Branch Banking

Opportunities Created Across our Services Portfolio



## Projected Branch Totals



## Key Points

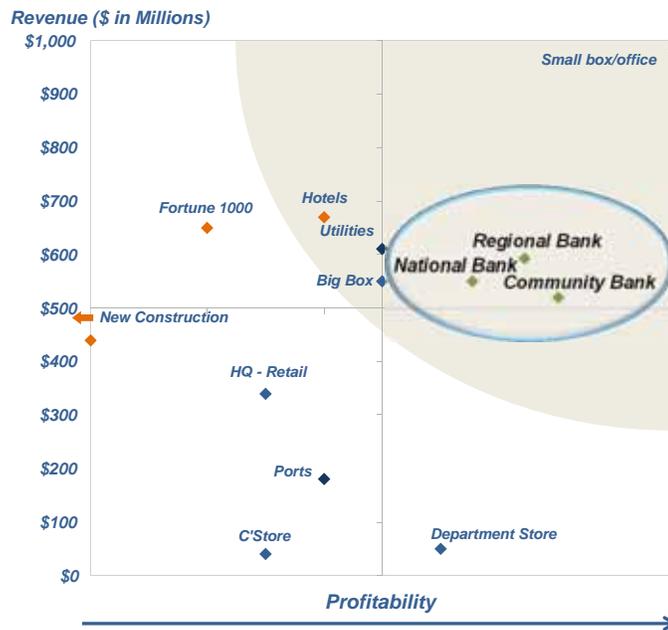
- Total branch population is stable
- Diebold has high market share/strong brand
- Profitability for Diebold remains strong
- Emerging opportunities are complementary to our business strategies
  - Transaction migration to self-service
  - IS business model innovation
  - Remote service competencies (OpteView)
  - Linking corporate headquarters buildings (hubs) with branches (spokes)
  - Infrastructure monitoring and management
  - Branch operations analytics (i.e. drive-up, customer queuing)

# North America: Electronic Security

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## End-market Attractiveness

### Electronic Security Revenue & Profit by End Market



### Attractive End Markets

- Profitability is higher in markets with high services concentration
- Financial markets among most profitable
- Market is highly fragmented – few players with national brands
- Named SDM's 2011 Systems Integrator of the Year
- Technology is rapidly evolving toward IP-based network solutions

- ◆ Retail
- ◆ Financial Institutions
- ◆ Commercial Buildings
- ◆ Critical Infrastructure

# North America: Electronic Security

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## Integrated Services Example

### PNC Bank leverages Diebold security outsourcing for its enterprise and branch network of 2,400 locations

- Technology outsourcing
- Alarm monitoring
- Network security assessments
- Logical security management
- Maintenance services



## North America: Electronic Security

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Other Success Examples

**Diebold's converged strengths position us well to win in this changing market**

- **Complex systems (RBS)**
- **Large single site projects (World Trade Center #4 and Transportation Hub)**
- **Large multiple site projects (Restoration Hardware)**
- **Monitoring and services (Large premier coffee retailer)**
- **Emerging network technology solutions (Washington, D.C., Video Interoperability for Public Safety)**

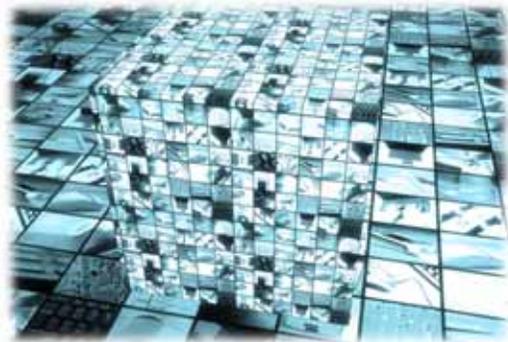


## North America: Electronic Security

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The Next 12 – 18 Months

- **Focus resources on growing revenue in the financial market**
- **Penetrate high-end access control market in financials**
- **Target acquisitions – services and monitoring focused**
- **Build out Web-based services offerings**



**Confident in our solutions, brand and capabilities to execute on our growth strategy**

# Latin America/Brazil Overview



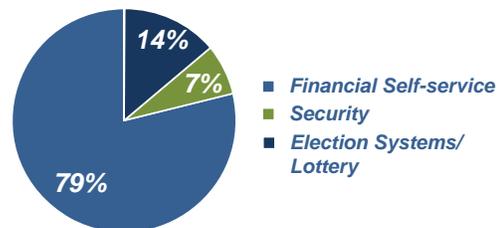
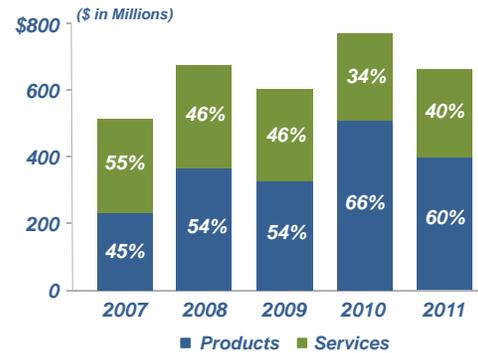
## Highlights

- Hold the No. 1 market share position throughout Latin America/Brazil
- Strengths in innovative technology and services drive leadership position

## Regional Statistics

- Number of employees: ~ 5,400
- Number of service technicians: ~ 2,100
- 2011 revenue: \$663M

## Revenue Breakdown



# Latin America/Brazil Overview



## Financial Self-service Market

## Market Characteristics and Trends

### Latin America

- Strong service infrastructure securing availability and uptime for the self-service channel
- Increasing transaction migration demand into self-service transactions are driving deposit automation
- ATM security, branch security and enterprise security is a key solution set

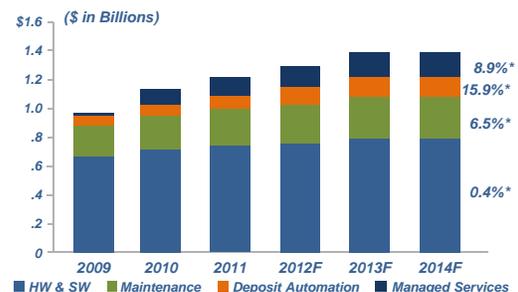
### Brazil

- Cash in circulation increasing as banked population increases
- Banks continue to take costs out of branch through automation
- Market environment is becoming increasingly competitive

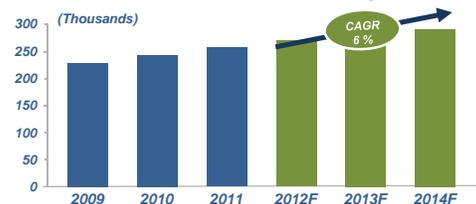
\*2012 - 2014 CAGRs

Source: RBR, Diebold Estimates

## Annual Market Size and Growth



## ATM Installed Base Projection



Diebold Market Share:  
~45% – #1 Position

# Brazil Business Overview



Driving Leadership Through Innovative Technology and Services

- **Strengths in developing innovative technology and services drives our leadership position in core markets**
  - Services revenue is 35% of our ~\$450M business
- **Differentiated technology provider with solutions leveraged globally**
- **As the sole supplier of lottery and voting network technology, looking to drive the market toward a more consistent replacement cycle**
- **Focused on maintaining a leadership position while driving more consistent profitability through operational improvements**



# Brazil Business Overview



Leading, Differentiated Technology Provider

## Solutions

- **Financial Self-service**
- **Voting**
- **Lottery**
- **Education**
- **Retail**

## Highlights

- **Continue to leverage core technology-based business model (software, services, hardware and integration) into new market segments**
- **Continue to be a leader in developing new software and technology solutions, which are leveraged globally**
- **In 2011, named the top IT company in Brazil for the 4<sup>th</sup> time (by Exame Magazine)**



# Brazil Services Strength



Organization and Base

## Service Organization

- 6 regional divisions
- 44 service full branches
- 257 technical residences
- 3 depot repair centers
- 2,050 service professionals
  - Including 1,100 service technicians



## Service Base

- 70,000+ ATMs
- 40,000 lottery terminals
- 160,000 bank teller terminals/workstations
- 505,000 voting terminals

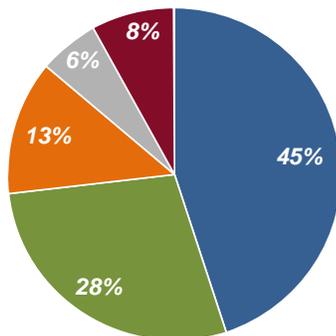
# Brazil Financial Self-service Leadership



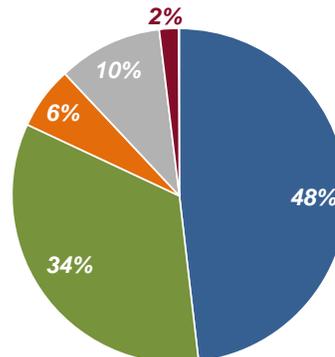
ATM Installed Base/Flow Share

Capitalizing on opportunities with expected flow share of 45%+ next few years

ATM Installed Base Share in Brazil (2011)



ATM Flow Share in Brazil (2011)



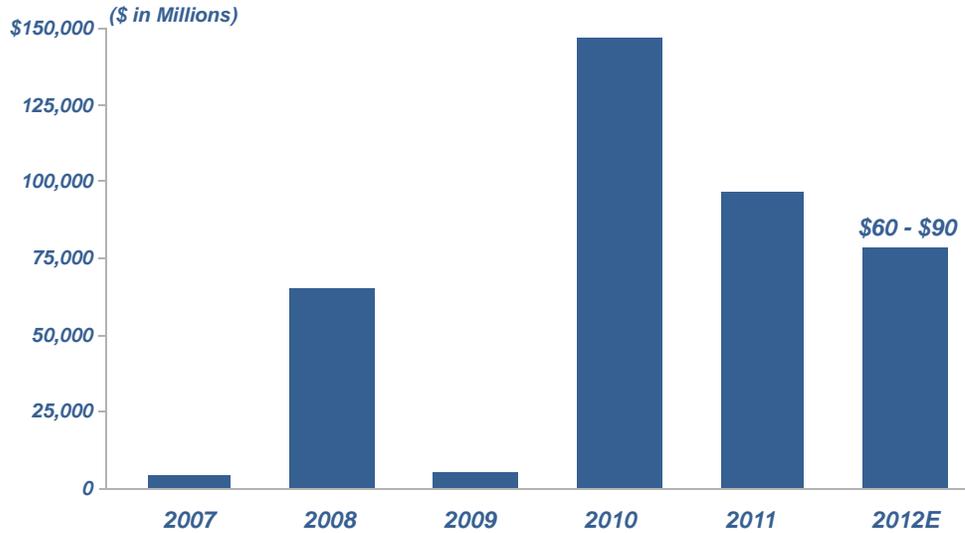
■ Diebold ■ Itaautec ■ Perto ■ NCR ■ Wincor

Source: RBR, Diebold Estimates

# Brazil: Drive Lottery & Voting Predictability



**Maturing installed base allows for less cyclical business – \$80-\$100M business going forward**



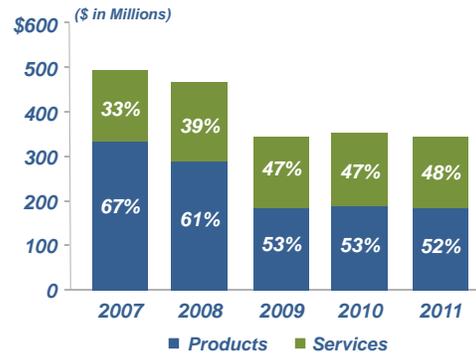
## EMEA Overview



### Highlights:

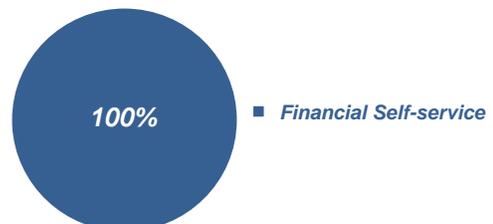
- EMEA restructuring efforts focused on:
  - Key countries
  - Value-based distributors
  - Functional support structure
- On target to return the business to modest profitability in 2012

### Revenue Breakdown



### Regional Statistics

- Number of employees: ~ 1,200
- Number of service technicians: ~ 500
- 2011 revenue: \$346M



# EMEA Overview

Financial Self-service Market



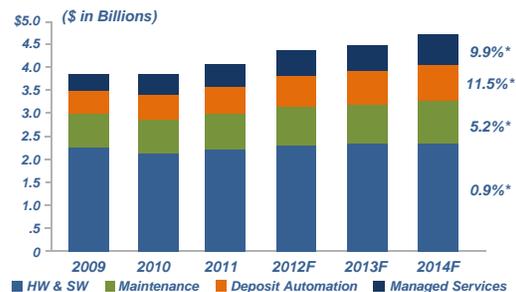
## Market Trends and Characteristics

- Tremendous economic uncertainty in Euro-Zone
- Significant revenue pool available, driven by cash dispenser replacement markets
- Bank profitability under pressure – increasing demand for self-service transaction migration
  - Double-digit growth expected in deposit automation/recycling
  - ATM security and total cost of ownership are key market drivers
- Branch is transforming into a sales channel, enabled by advanced self-service solutions and software-driven channel integration

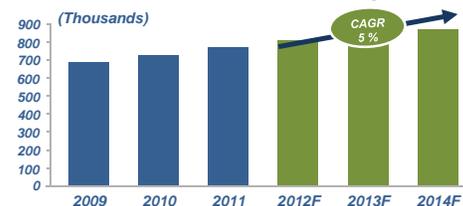
\*2012 - 2014 CAGRs

Source: RBR, Diebold Estimates

## Annual Market Size and Growth



## ATM Installed Base Projection



Diebold Market Share:  
~15% – #3 Position

# EMEA Strategic Initiatives



- Returning business to profitable growth through restructuring efforts; though still well below corporate average margins in 2012
- Targeting growth in select countries, including Russia, Turkey, UK and Spain
  - Based on revenue pool available and profitability potential
  - Global account priorities and business opportunities
- Sustaining revenue streams in key countries, including France, Italy, Saudi Arabia, South Africa, etc.
- Rebuilding direct sales organization and brand awareness in Russia
- Strengthening service, software and advanced services offerings
- Value-based distributor partnerships in emerging markets
- Creating a focused, more profitable business as a niche player

# EMEA Restructuring Summary



- Focus EMEA operations on select key countries, while rebuilding functional support structure
- Select, value-based distributor partnerships
- Re-designed service organization and professional services to leverage synergies across geographies

	Annualized Savings
Core Country Focus	\$3.5 M
Shared Services	\$3.8 M
Services (Service/Integrated)	\$7.7 M
<b>Total</b>	<b>\$15 M</b>

# Asia Pacific Overview

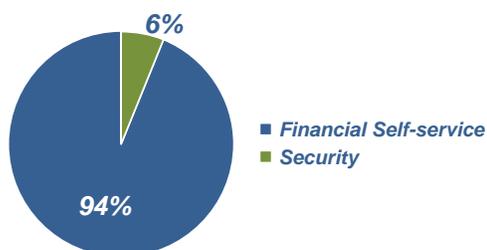
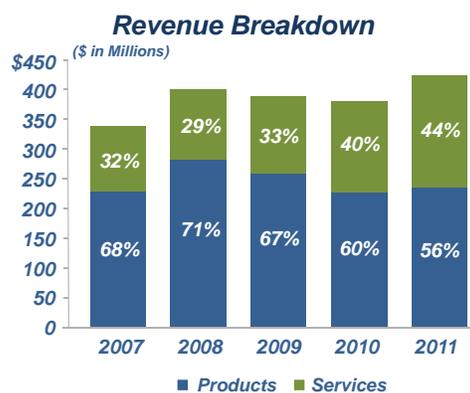


## Highlights

- Committed to focusing on services offerings and disciplined cost management – keys to continued success
- Leadership under the direction of Wico van Genderen, vice president, Asia Pacific
- Strong growth opportunities in key (emerging) markets for managed services, integrated services and deposit automation

## Regional Statistics

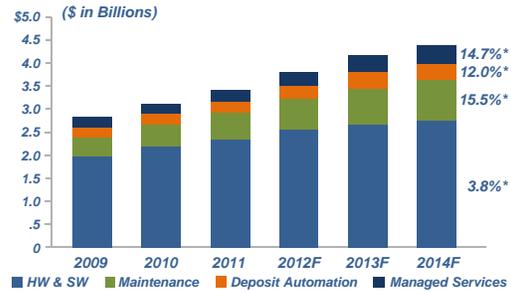
- Number of employees: ~ 3,500
- Number of service technicians: ~ 1,600
- 2011 revenue: \$422M



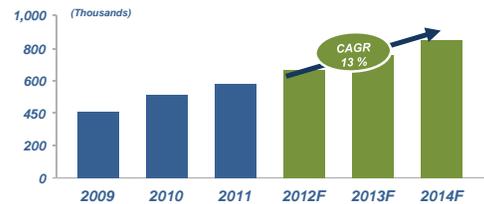
### Market Trends and Characteristics

- **Fastest growing, but most competitive market in the world**
- **Market profitability challenged in the short term by several market trends:**
  - Strong Asia-centric competitors
  - Mix shift from cash dispenser to recycling
  - Major Chinese banks using 5-8 suppliers vs. 2-3 elsewhere in the world
- **Growing importance of integrated/managed services in emerging economies (e.g., India)**
- **Deposit automation growth is accelerating with revenue contribution expected to double by 2014**
- **ATM security demand driven by anti-skimming and logical security solutions as PCI compliance requirements emerge**

### Annual Market Size and Growth



### ATM Installed Base Projection



\*2012 - 2014 CAGRs

Source: RBR, Asian Banker, Diebold Estimates

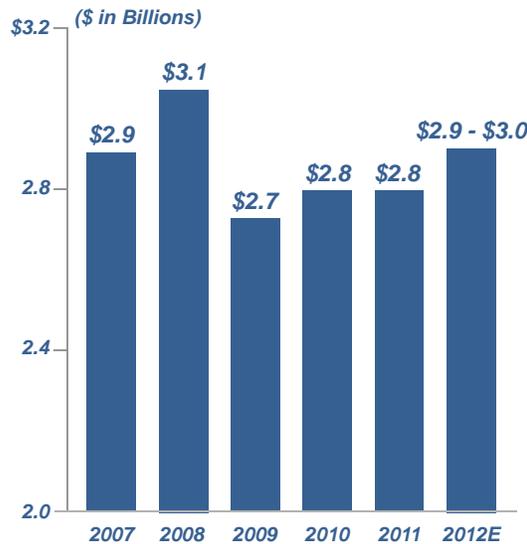
**Diebold Market Share:**  
~20% – #2 Position

## Company Financials

# Revenue and Earnings Per Share



## Revenue



## Earnings Per Share



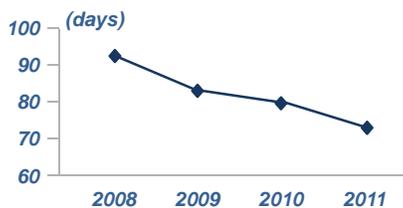
\* 2010 includes a \$0.10 and 2011 includes a \$0.43 Brazil Tax Adjustment

# Working Capital

## Cash Conversion Cycle



### Cash Conversion Cycle - CCC



For every 1-day improvement in the CCC, Diebold frees up ~\$4.5M of cash for ...

- Investment**
- In the business
  - In acquisitions

- Return to our shareholders in the form of**
- Dividends
  - Share buyback

	2008	2009	2010	2011
<b>DSO</b>	46.5	35.8	38.2	37.2
<b>DIO</b>	84.4	78.0	76.1	75.6
<b>DPO</b>	38.8	30.9	34.5	40.0
<b>CCC</b>	92.2	82.9	79.7	72.7

Driving improved ROCE/  
Economic Profit

# Financial Strength

\$ in Millions



	Dec. 31, 2010	Dec. 31, 2011
<b>Cash, cash equivalents and other investments</b>	<b>\$601.8</b>	<b>\$620.8</b>
<b>Total Assets</b>	<b>\$2,519.8</b>	<b>\$2,517.4</b>
<b>Stockholders' Equity</b>	<b>\$961.2</b>	<b>\$827.0</b>
<b>Debt Instruments</b>	<b>\$(566.6)</b>	<b>\$(628.5)</b>
<b>Net Inv. (debt) non-GAAP measure</b>	<b>\$35.1</b>	<b>\$(7.7)</b>
<b>Net (debt) to capital ratio*</b>	<b>- 4%</b>	<b>1%</b>
<b>Operating Margin %</b>	<b>6.9%</b>	<b>7.0%</b>
<b>Free Cash Flow</b>	<b>\$222</b>	<b>\$161</b>

Solid cash resources

Solid balance sheet

- Pay down debt
- Dividends
- Acquisitions
- Share buyback

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

# 2011 Year Profit & Loss Statement

Reconciliation GAAP to non-GAAP (\$Millions)



	2011 (GAAP)	Restructuring	Non-routine Expenses	Impairment	Non-routine Income	2011 (non-GAAP)
<b>Total Revenue</b>	<b>\$2,835.8</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$2,835.8</b>
<b>Total Gross Profit</b>	<b>\$735.9</b>	<b>\$14.6</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$750.5</b>
Percent of Net Sales	26.0%					26.5%
<b>Operating Expenses</b>						
Selling, G & A	\$499.3	(\$11.6)	(\$13.2)	\$0.0	\$0.0	\$474.4
R, D & E	\$78.1	\$0.0	\$0.0	\$0.0	\$0.0	\$78.1
Impairment of Assets	\$3.0	\$0.0	\$0.0	(\$3.0)	\$0.0	\$0.0
<b>Total Operating Expense</b>	<b>\$580.3</b>	<b>(\$11.6)</b>	<b>(\$13.2)</b>	<b>(\$3.0)</b>	<b>\$0.0</b>	<b>\$552.5</b>
Percent of Net Sales	20.5%					19.5%
<b>Total Operating Profit</b>	<b>\$155.6</b>	<b>\$26.2</b>	<b>\$13.2</b>	<b>\$3.0</b>	<b>\$0.0</b>	<b>\$198.0</b>
Percent of Net Sales	5.5%					7.0%
<b>Other income/(expense)</b>	<b>\$8.8</b>	<b>\$0.0</b>	<b>\$3.3</b>	<b>\$0.0</b>	<b>(\$1.5)</b>	<b>\$10.5</b>
<b>Inc from Cont Ops before Tax</b>	<b>\$164.4</b>	<b>\$26.2</b>	<b>\$16.5</b>	<b>\$3.0</b>	<b>(\$1.5)</b>	<b>\$208.5</b>
Percent of Net Sales	5.8%					7.4%
<b>Income Taxes</b>	<b>(\$12.8)</b>	<b>(\$5.5)</b>	<b>(\$4.9)</b>	<b>(\$1.1)</b>	<b>\$0.5</b>	<b>(\$23.7)</b>
<b>Income from Cont Ops</b>	<b>\$151.6</b>	<b>\$20.7</b>	<b>\$11.6</b>	<b>\$1.9</b>	<b>(\$1.0)</b>	<b>\$184.8</b>
Percent of Net Sales	5.3%					6.5%
<b>Noncontrol Interest - Net Tax</b>	<b>(\$7.3)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>(\$7.3)</b>
<b>Inc from Cont Ops - Net Tax</b>	<b>\$144.3</b>	<b>\$20.7</b>	<b>\$11.6</b>	<b>\$1.9</b>	<b>(\$1.0)</b>	<b>\$177.5</b>
<b>Income from Disc Ops - Net Tax</b>	<b>\$0.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$0.5</b>
<b>Net Income</b>	<b>\$144.8</b>	<b>\$20.7</b>	<b>\$11.6</b>	<b>\$1.9</b>	<b>(\$1.0)</b>	<b>\$178.0</b>
Percent of Net Sales	5.1%					6.3%

## 2010 Year Profit & Loss Statement



Reconciliation GAAP to non-GAAP (\$Millions)

	2010 (GAAP)	Restructuring	Non-routine Expenses	Impairment	Non-routine Income	2010 (non-GAAP)
Total Revenue	\$2,823.8	\$0.0	\$0.0	\$0.0	\$0.0	\$2,823.8
<b>Total Gross Profit</b>	<b>\$719.6</b>	<b>\$1.7</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$721.3</b>
Percent of Net Sales	25.5%					25.5%
<b>Operating Expenses</b>						
Selling, G & A	\$471.3	(\$2.6)	(\$20.4)	\$0.0	\$4.1	\$452.4
R, D & E	\$74.2	\$0.1	\$0.0	\$0.0	\$0.0	\$74.4
Impairment of Assets	\$175.8	\$0.0	\$0.0	(\$175.8)	\$0.0	\$0.0
<b>Total Operating Expense</b>	<b>\$721.4</b>	<b>(\$2.5)</b>	<b>(\$20.4)</b>	<b>(\$175.8)</b>	<b>\$4.1</b>	<b>\$526.8</b>
Percent of Net Sales	25.5%					18.7%
<b>Total Operating Profit</b>	<b>(\$1.8)</b>	<b>\$4.2</b>	<b>\$20.4</b>	<b>\$175.8</b>	<b>(\$4.1)</b>	<b>\$194.5</b>
Percent of Net Sales	-0.1%					6.9%
Other income/(expense)	(\$0.6)	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.6)
Inc from Cont Ops before Tax	(\$2.4)	\$4.2	\$20.4	\$175.8	(\$4.1)	\$193.9
	-0.1%					6.9%
Income Taxes	(\$14.6)	(\$0.9)	(\$3.5)	(\$17.2)	\$0.9	(\$35.2)
<b>Income from Cont Ops</b>	<b>(\$17.0)</b>	<b>\$3.3</b>	<b>\$16.9</b>	<b>\$158.6</b>	<b>(\$3.3)</b>	<b>\$158.6</b>
Percent of Net Sales	-0.6%					5.6%
Noncontrol Interest - Net Tax	(\$3.6)	\$0.0	\$0.0	\$0.0	\$0.0	(\$3.6)
<b>Inc from Cont Ops - Net Tax</b>	<b>(\$20.5)</b>	<b>\$3.3</b>	<b>\$16.9</b>	<b>\$158.6</b>	<b>(\$3.3)</b>	<b>\$155.1</b>
Income from Disc Ops - Net Tax	\$0.3	-	-	-	-	\$0.3
<b>Net Income</b>	<b>(\$20.3)</b>	<b>\$3.3</b>	<b>\$16.9</b>	<b>\$158.6</b>	<b>(\$3.3)</b>	<b>\$155.3</b>
Percent of Net Sales	-0.7%					5.5%

## 2011 Year Product & Service Gross Profit



Reconciliation GAAP to non-GAAP (\$Millions)

	2011 (GAAP)	Restructuring	2011 (non-GAAP)
<b>Product</b>	<b>\$1,283.5</b>	<b>\$0.0</b>	<b>\$1,283.5</b>
<b>Service</b>	<b>\$1,552.4</b>	<b>\$0.0</b>	<b>\$1,552.4</b>
<b>Total Revenue</b>	<b>\$2,835.8</b>	<b>\$0.0</b>	<b>\$2,835.8</b>
<b>Product</b>	<b>\$321.8</b>	<b>\$3.9</b>	<b>\$325.7</b>
Percent of Net Sales	25.1%		25.4%
<b>Service</b>	<b>\$414.1</b>	<b>\$10.7</b>	<b>\$424.8</b>
Percent of Net Sales	26.7%		27.4%
<b>Total Gross Profit</b>	<b>\$735.9</b>	<b>\$14.6</b>	<b>\$750.5</b>
Percent of Net Sales	26.0%		26.5%

## 2010 Year Product & Service Gross Profit



Reconciliation GAAP to non-GAAP (\$Millions)

	2010 (GAAP)	Restructuring	2010 (non-GAAP)
Product	\$1,330.4	\$0.0	\$1,330.4
Service	\$1,493.4	\$0.0	\$1,493.4
<b>Total Revenue</b>	<b>\$2,823.8</b>	<b>\$0.0</b>	<b>\$2,823.8</b>
Product	\$326.4	\$1.2	\$327.6
Percent of Net Sales	24.5%		24.6%
Service	\$393.1	\$0.5	\$393.7
Percent of Net Sales	26.3%		26.4%
<b>Total Gross Profit</b>	<b>\$719.6</b>	<b>\$1.7</b>	<b>\$721.3</b>
Percent of Net Sales	25.5%		25.5%

## Free Cash Flow Reconciliation



(\$Millions)

	<u>Q4 10</u>	<u>Q4 11</u>	<u>FY 10</u>	<u>FY 11</u>
Net Cash provided by operating activities (GAAP Measure)	\$222.3	\$270.1	\$273.4	\$215.4
Capital expenditures	(13.3)	(16.3)	(51.3)	(54.8)
Free Cash Flow (use) (non-GAAP measure)	<u>\$209.0</u>	<u>\$253.8</u>	<u>\$222.1</u>	<u>\$160.6</u>

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