



## Use of Non-GAAP Financial Information



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*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 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:

- \* 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;
- \* 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 DOJ and SEC investigations; and
- \*\* the company's ability to achieve benefits from its cost-reduction initiatives and other strategic changes, including its restructuring actions.

**DEBOLD**  
INNOVATION DELIVERED®

**Q2 2012**  
Business & Market Overview

**Thomas W. Swidarski**  
President & Chief Executive Officer

## Q2 2012 Key Takeaways



- *Generated solid top-line growth & improved net debt by nearly \$50M during the quarter*
- *In EMEA, achieved profitability in Q2, and on track to be profitable for FY*
- *Revenue mix shift between U.S. national & regional banks in Q2 as expected; national bank deposit automation (DA) momentum continues*
- *U.S. mix shift and a higher Q2 tax rate resulted in a sequential drop in earnings from Q1*
- *Due to negative currency shift & delay in additional Brazil elections revenue into 2013, tightening our 2012 guidance*
- *Aside from these two items, our outlook remains unchanged and we are confident in underlying factors that are driving growth*

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## North America



- *Revenue growth of 18%; driven by FSS*
- *NA orders grew in low single-digit range off a tough comp*
- *Order growth was driven by the national banks; associated with DA*
- *DA shipments were solid in the national and regional banks*
- *Service revenue grew, including Diebold Integrated Services® (IS) revenue which was up nearly 30%*
- *Expect FY gross margins to be similar to 2011*
- *Expect to grow our service business in NA; providing the foundation for our market leadership position*



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## Security



- Revenue decreased slightly – consistent with our expectations
- Orders decreased in the low single-digit range against a difficult comp
- Encouraged by progress in the financial electronic security (ES) space
- In Q2, we grew ES orders more than 20% in the banking segment
- IS security TCV to financials continues to grow
- Appointment of Tony Byerly as EVP, electronic security, will be invaluable in executing our security strategy
- Confident in our ability to generate growth in the 2<sup>nd</sup> half of 2012

**Financial Market (Banks & Credit Unions)**



**Banks & Credit Unions**

**Government Market (Federal/Agencies)**



**Federal Agencies,  
Department of Defense**

**Enterprise Market (High End/Complex)**



**Critical Infrastructure, Ports,  
Nationals**

**Retail Market (Stores & Chains)**



**Retailers with 1,000+  
Locations**

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## Europe, Middle East and Africa



- Revenue decreased 19% off a difficult comp in Q2 11
- Orders were down in high single-digit range, mainly due to weakness in Western Europe
- Restructuring efforts are paying off; EMEA swung to a profit in Q2
- Continuing momentum in DA and recycling
- UK remains an active market with new investments in technology forthcoming
- In position to achieve sustainable profitability in the region







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## Latin America/Brazil



- Revenue increased more than 30% off an easy comp in Q2 '11
- Orders declined in the mid-single digit range due to a few large orders shifting to Q3
- Innovative solutions & service infrastructure continue to give us a competitive advantage in Brazil
- Additional Brazil elections order pushed out until after its elections in October; guidance adjusted accordingly
- In the rest of LA, the market remains very active
- Continue to maintain market-leading position in LA/Brazil



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## Asia Pacific



- Revenue was flat from Q2 '11
- Orders declined compared to a strong Q2 '11
- Demand continues to be robust in China
- In India, revenue declined due to unfavorable currency impact
- Major changes shifted the landscape of the ATM industry in India; state-run banks nearly doubling deployment of ATMs with private banks increasing deployment to stay competitive
- In Southeast Asia, gaining momentum in DA through Opteva® Flex Performance<sup>SM</sup> Series ATMs
- Anticipate flat to modest growth in 2012 given currency headwinds in India



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## Summary & 2012 Outlook



### Summary:

- Full-year outlook is unchanged
- Brazil elections revenue push out and negative currency shift affect our guidance for both revenue and earnings
- Expect Q4 EPS to be substantially higher than Q3 EPS
- Optimistic based on activity we're seeing in key markets
- Strong top-line performance during the quarter speaks positively to the underlying health of our markets
- Confident in our ability to effectively manage the business and deliver results to our shareholders

Outlook:	Prior Guidance	Current Guidance
• Revenue growth:	7% - 10%	6% - 8%
• EPS (non-GAAP):	\$2.50 - \$2.70	\$2.50 - \$2.60


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**Q2 2012**  
Financial Overview

**Brad Richardson**  
EVP & Chief Financial Officer


## Key Topics



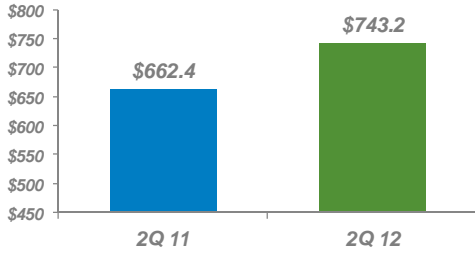
- *Delivered 12% revenue growth, despite a 6% negative currency impact*
- *Strong revenue performance in NA financial self-service business, especially DA and IS*
- *Continued success in EMEA restructuring; on track to achieve profit for the full year*
- *Strong balance sheet provides support for growth in key areas*
- *Financial framework*

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## Total Revenue



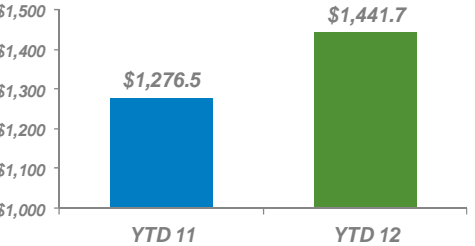
2011 vs. 2012 (\$Millions)



Period	Revenue (\$Millions)
2Q 11	\$662.4
2Q 12	\$743.2

**Q2 Revenue Summary:**

- Up \$80.8M or 12.2%
- Currency down 6% mainly due to Brazilian real
- Product rev. increased 26.6%, service rev. increased 2.0%
- Product increase mainly due to FSS in NA
- Mix: product 47%, service 53%

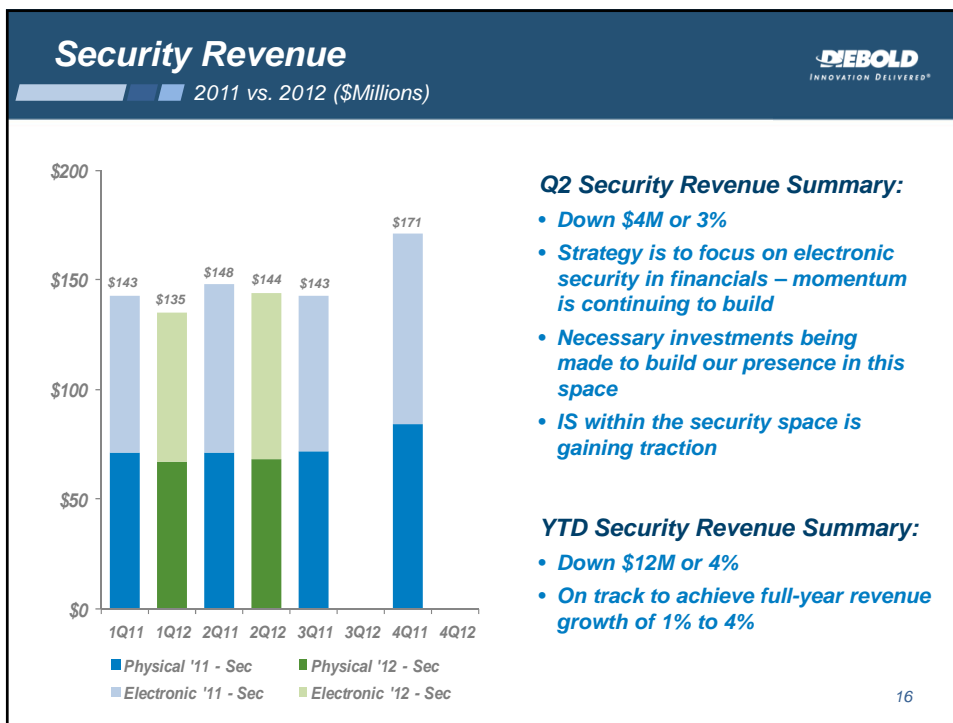
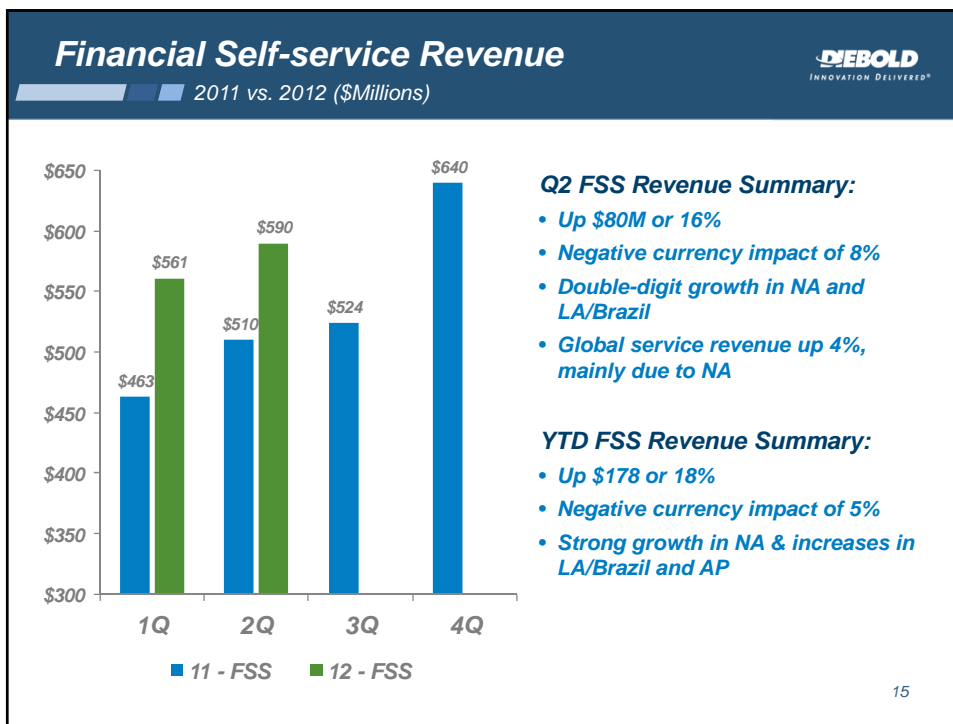


Period	Revenue (\$Millions)
YTD 11	\$1,276.5
YTD 12	\$1,441.7

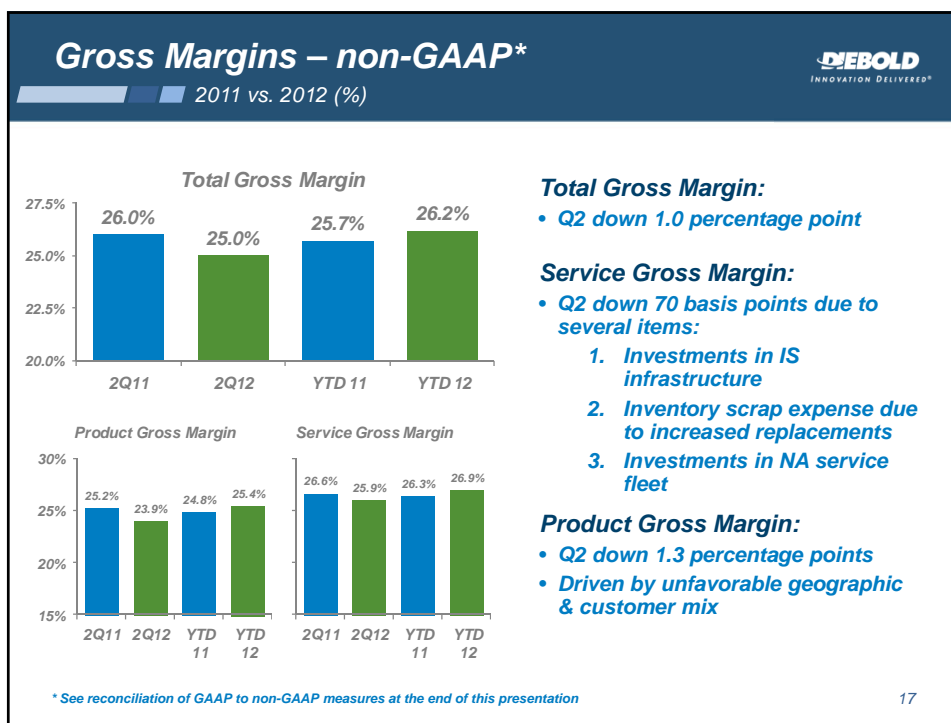
**YTD Revenue Summary:**

- Up \$165.2M or 12.9%
- Currency down 4%; negative impact in all geographies
- Product rev. increased 23.8%, service rev. increased 5.4%
- Mix: product 45%, service 55%

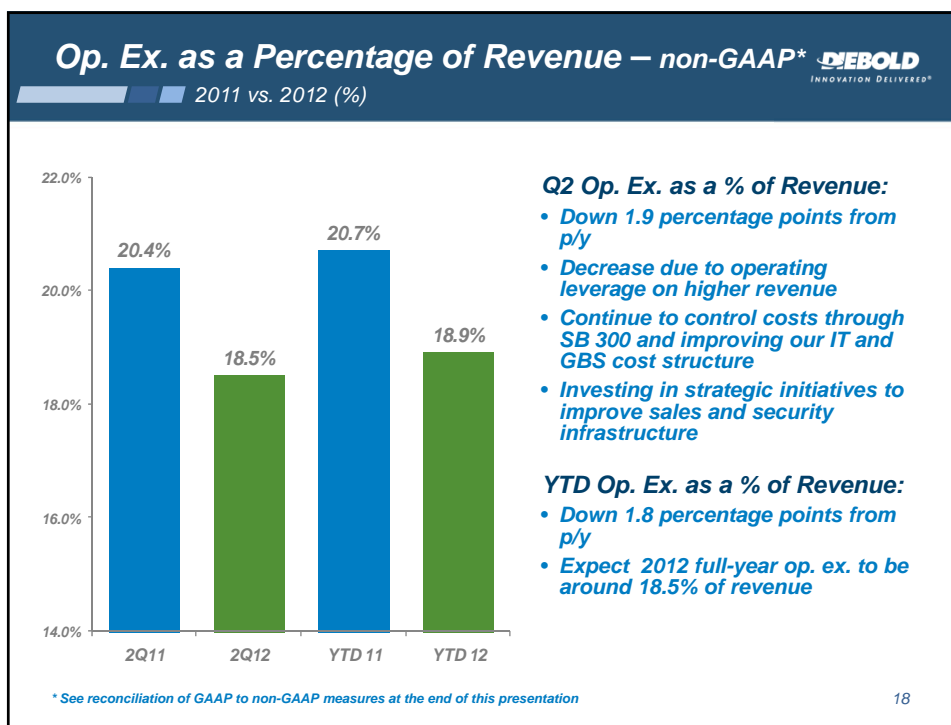
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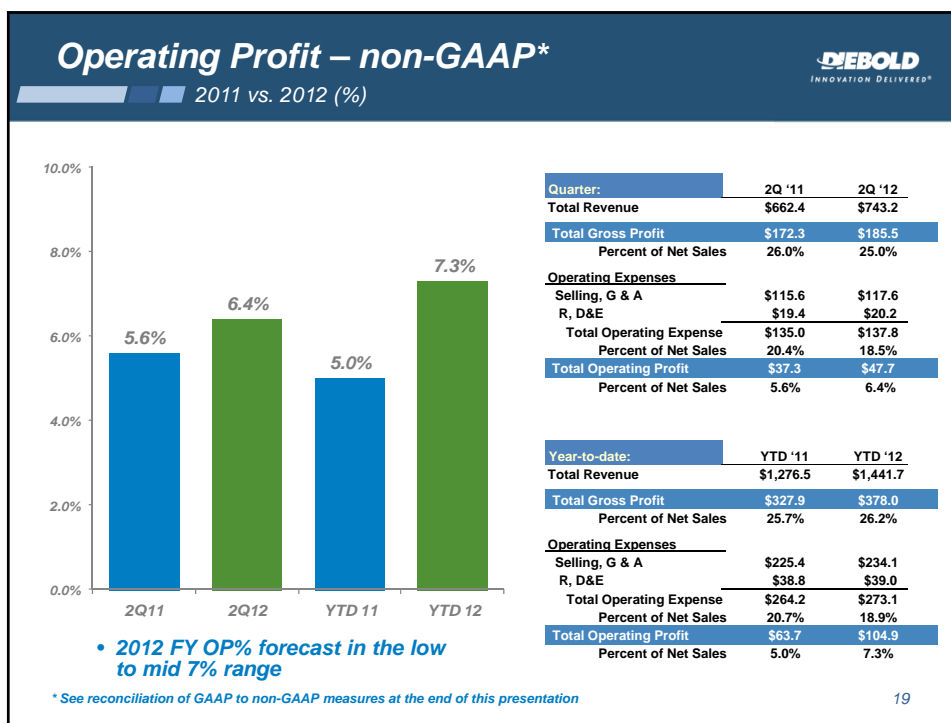




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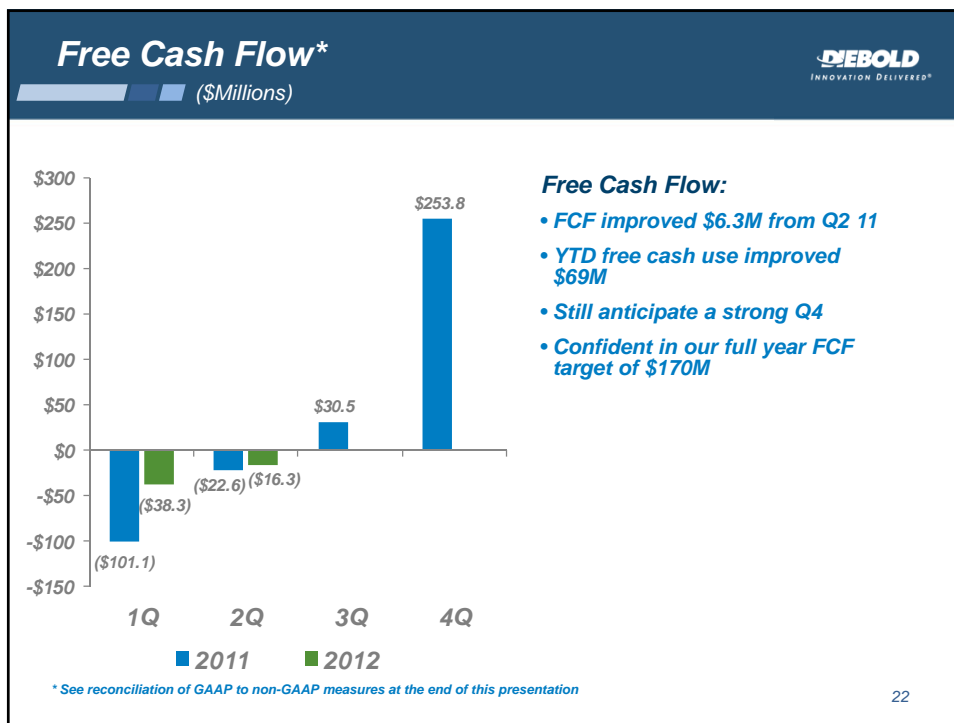
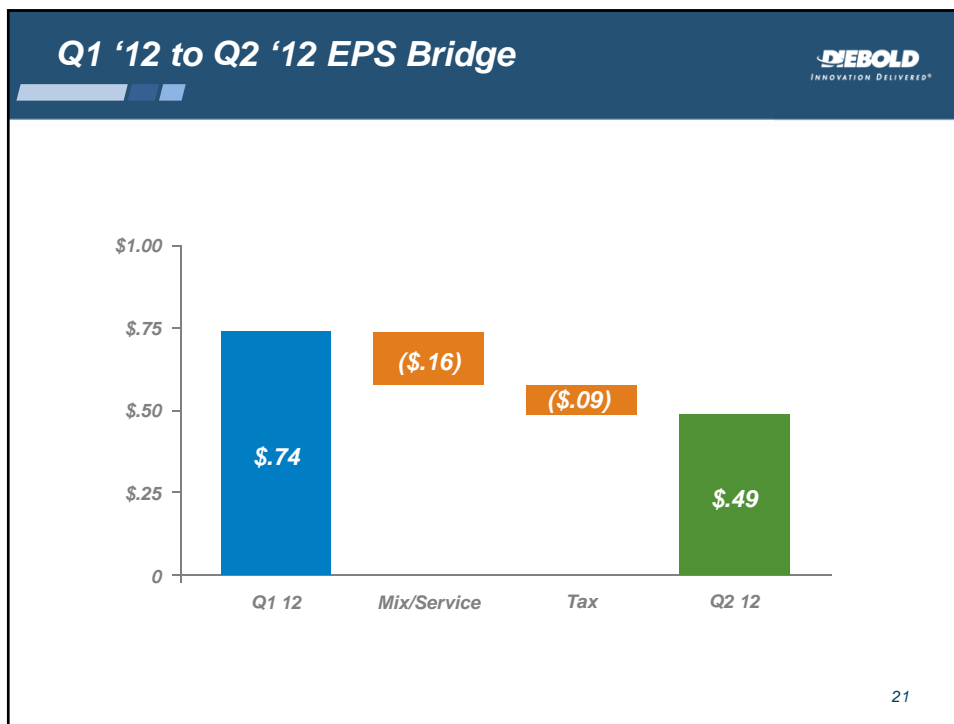
## EPS Reconciliation

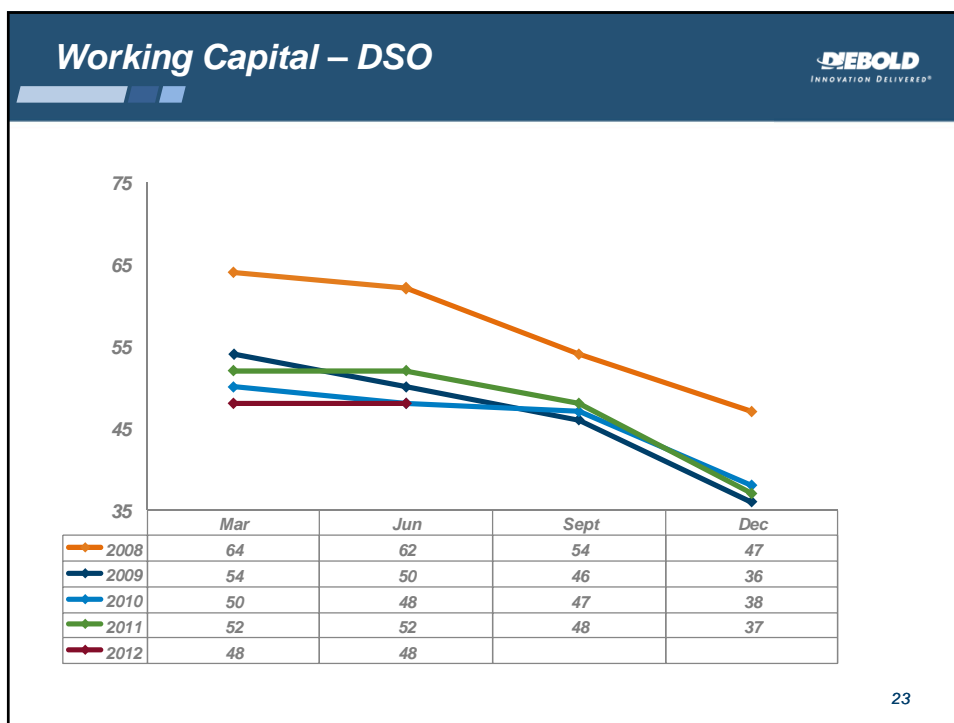
	<u>Q2 '11</u>	<u>Q2 '12</u>	<u>YTD '11</u>	<u>YTD '12</u>
<b>EPS (GAAP)</b>	\$0.31	\$0.41	\$0.34	\$1.12
<b>Restructuring charges</b>	0.06	0.01	0.20	0.03
<b>Non-routine expenses</b>	0.04	0.00	0.10	0.01
<b>Impairment</b>	0.03	0.07	0.03	0.07
<b>EPS (non-GAAP)</b>	\$0.44	\$0.49	\$0.67	\$1.23
<b>Tax rate (non-GAAP)</b>	24.9%	34.4%	30.8%	28.1%

• FY EPS guidance assumes a non-GAAP tax rate of around 27%

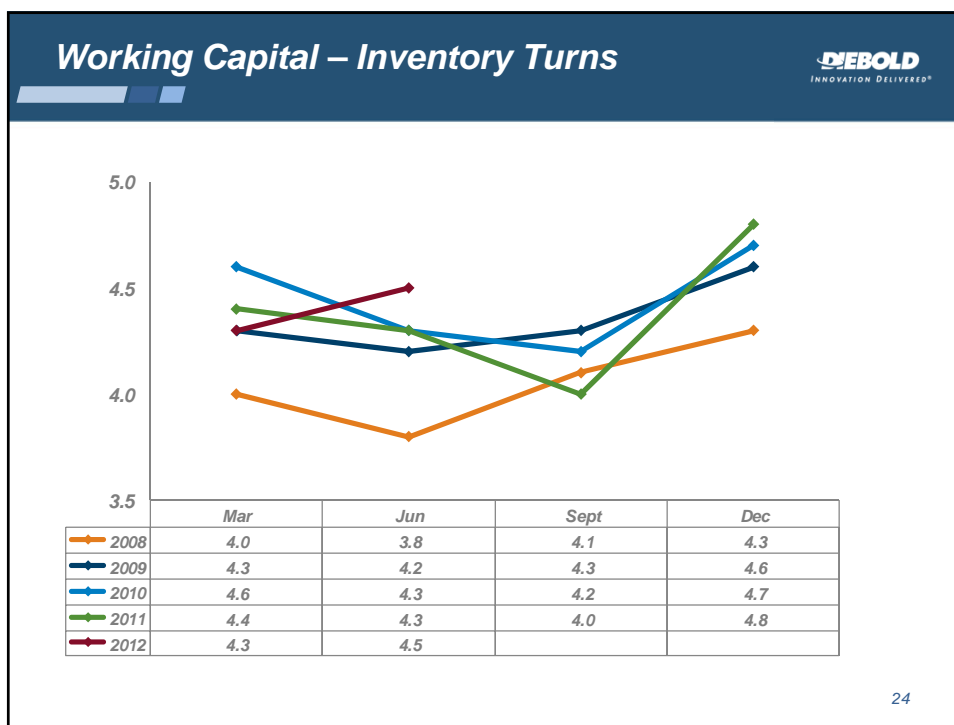
Note: The sums of the quarterly figures may not equal annual figures due to rounding or differences in the weighted-average number of shares outstanding during the respective periods.

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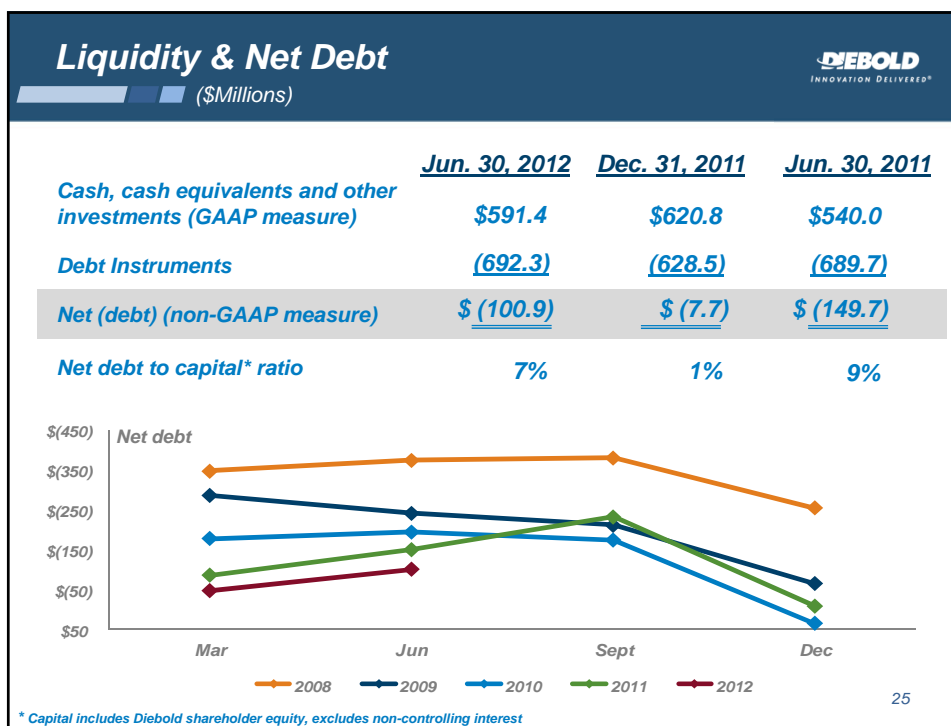




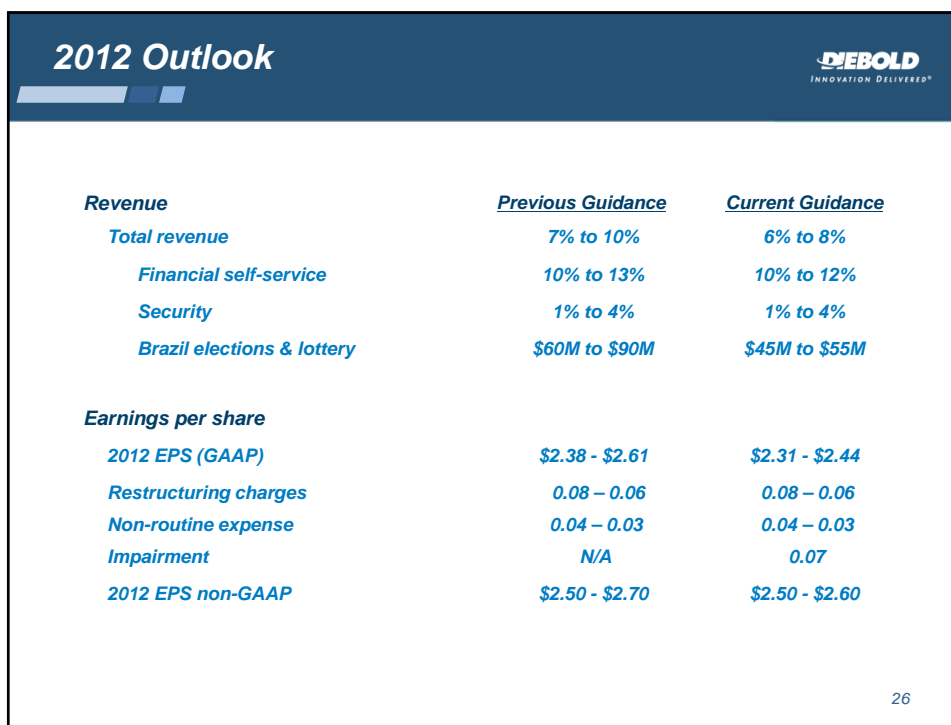
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## FCPA Update



- Completed our global internal review
- Continuing to cooperate with DOJ and SEC
- Recently began initial discussions with the government toward a possible resolution
- Cannot predict the timing or nature of any potential settlement
- Will continue to provide updates on an ongoing basis

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## Financial Framework and Growth Strategies



Plan Sets Us on the Path for 1st Tier Performance

### Key Assumptions

- Modest economic recovery, with Europe uncertainty
- Headwinds of global price pressures and cyclical of large tenders
- Expectation of continued service margin expansion
- Aggressive restructuring in EMEA results in measured improvement

### Key Growth Strategies

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

Core strategies generate higher recurring revenue & sustained operating targets

#### Operating Targets

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

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## Conclusion



- *Encouraged by Q2 revenue growth*
- *Gross margins were below historic norms; however, our margin expectations for the year remain intact*
- *Maintaining discipline around operating cost containment*
- *Aside from the move in currency and delay in Brazil voting, our outlook for the year remains the same*
- *Strength in core markets provides catalyst for our growth expectations*
- *Restructuring efforts in EMEA continue to bring operational improvements*
- *Solid balance sheet and FCF performance provide leverage for the second half of the year*

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## Supplemental Schedules

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## Q2 2012 Profit & Loss Statement

Reconciliation GAAP to non-GAAP (\$Millions)



	2012 (GAAP)	Restructuring	Non-routine Expenses	Non-routine Impairment	Non-routine Income	2012 (non-GAAP)
Total Revenue	\$743.2	\$0.0	\$0.0	\$0.0	\$0.0	\$743.2
Total Gross Profit	\$185.6	(\$0.1)	\$0.0	\$0.0	\$0.0	\$185.5
Percent of Net Sales	25.0%					25.0%
<b>Operating Expenses</b>						
Selling, G & A	\$118.8	(\$0.8)	(\$0.3)	\$0.0	\$0.0	\$117.6
R, D & E	\$20.2	\$0.0	\$0.0	\$0.0	\$0.0	\$20.2
Impairment of Assets	\$6.7	\$0.0	\$0.0	(\$6.7)	\$0.0	\$0.0
Total Operating Expense	\$145.7	(\$0.8)	(\$0.3)	(\$6.7)	\$0.0	\$137.8
Percent of Net Sales	19.6%					18.5%
Total Operating Profit	\$39.9	\$0.7	\$0.3	\$6.7	\$0.0	\$47.7
Percent of Net Sales	5.4%					6.4%
Other income/(expense)	\$2.1	\$0.0	\$0.0	\$0.0	\$0.0	\$2.1
Inc from Cont Ops before Tax	\$42.0	\$0.7	\$0.3	\$6.7	\$0.0	\$49.8
	5.7%					6.7%
Income Taxes	(\$14.2)	(\$0.2)	(\$0.1)	(\$2.5)	\$0.0	(\$17.0)
Income from Cont Ops	\$27.8	\$0.5	\$0.2	\$4.2	\$0.0	\$32.7
Percent of Net Sales	3.7%					4.4%
Noncontrol Interest - Net Tax	(\$1.3)	\$0.0	\$0.0	\$0.0	\$0.0	(\$1.3)
Inc from Cont Ops - Net Tax	\$26.5	\$0.5	\$0.2	\$4.2	\$0.0	\$31.4
Income from Disc Ops - Net Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-
Net Income	\$26.5	\$0.5	\$0.2	\$4.2	\$0.0	\$31.4
Percent of Net Sales	3.6%					4.2%



## Q2 2011 Profit & Loss Statement



Reconciliation GAAP to non-GAAP (\$Millions)

	2011 (GAAP)	Restructuring	Non-routine Expenses	Impairment	Non-routine Income	2011 (non-GAAP)
Total Revenue	\$662.4	\$0.0	\$0.0	\$0.0	\$0.0	\$662.4
<b>Total Gross Profit</b>	<b>\$169.5</b>	<b>\$2.8</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$172.3</b>
Percent of Net Sales	25.6%					26.0%
<b>Operating Expenses</b>						
Selling, G & A	\$122.1	(\$1.7)	(\$4.7)	\$0.0	\$0.0	\$115.7
R, D & E	\$19.4	(\$0.0)	\$0.0	\$0.0	\$0.0	\$19.4
Impairment of Assets	\$3.0	\$0.0	\$0.0	(\$3.0)	\$0.0	\$0.0
<b>Total Operating Expense</b>	<b>\$144.4</b>	<b>(\$1.7)</b>	<b>(\$4.7)</b>	<b>(\$3.0)</b>	<b>\$0.0</b>	<b>\$135.0</b>
Percent of Net Sales	21.8%					20.4%
<b>Total Operating Profit</b>	<b>\$25.1</b>	<b>\$4.5</b>	<b>\$4.7</b>	<b>\$3.0</b>	<b>\$0.0</b>	<b>\$37.3</b>
Percent of Net Sales	3.8%					5.6%
Other income/(expense)	\$3.1	\$0.0	\$0.0	\$0.0	\$0.0	\$3.1
<b>Inc from Cont Ops before Tax</b>	<b>\$28.2</b>	<b>\$4.5</b>	<b>\$4.7</b>	<b>\$3.0</b>	<b>\$0.0</b>	<b>\$40.3</b>
Income Taxes	\$6.6	(\$0.7)	(\$1.7)	(\$1.1)	\$0.0	(\$10.1)
<b>Income from Cont Ops</b>	<b>\$21.6</b>	<b>\$3.8</b>	<b>\$3.0</b>	<b>\$1.9</b>	<b>\$0.0</b>	<b>\$30.2</b>
Percent of Net Sales	3.3%					4.6%
Noncontrol Interest - Net Tax	(\$1.3)	\$0.0	\$0.0	\$0.0	\$0.0	(\$1.3)
<b>Inc from Cont Ops - Net Tax</b>	<b>\$20.3</b>	<b>\$3.8</b>	<b>\$3.0</b>	<b>\$1.9</b>	<b>\$0.0</b>	<b>\$28.9</b>
Income from Disc Ops - Net Tax	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5
<b>Net Income</b>	<b>\$20.8</b>	<b>\$3.8</b>	<b>\$3.0</b>	<b>\$1.9</b>	<b>\$0.0</b>	<b>\$29.4</b>
Percent of Net Sales	3.1%					4.4%

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## Q2 2012 Product & Service Gross Profit



Reconciliation GAAP to non-GAAP (\$Millions)

	2012 (GAAP)	Restructuring	2012 (non-GAAP)
Service Revenue	\$396.9	\$0.0	\$396.9
Product Revenue	\$346.3	\$0.0	\$346.3
<b>Total Revenue</b>	<b>\$743.2</b>	<b>\$0.0</b>	<b>\$743.2</b>
Service Gross Profit	\$102.8	(\$0.2)	\$102.6
Percent of Net Sales	25.9%		25.9%
Product Gross Profit	\$82.8	\$0.1	\$82.9
Percent of Net Sales	23.9%		23.9%
<b>Total Gross Profit</b>	<b>\$185.6</b>	<b>(\$0.1)</b>	<b>\$185.5</b>
Percent of Net Sales	25.0%		25.0%

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## Q2 2011 Product & Service Gross Profit



Reconciliation GAAP to non-GAAP (\$Millions)

	2011 (GAAP)	Restructuring	2011 (non-GAAP)
Service Revenue	\$389.0	\$0.0	\$389.0
Product Revenue	\$273.4	\$0.0	\$273.4
<b>Total Revenue</b>	<b>\$662.4</b>	<b>\$0.0</b>	<b>\$662.4</b>
Service Gross Profit	\$100.8	\$2.6	\$103.4
Percent of Net Sales	25.9%		26.6%
Product Gross Profit	\$68.7	\$0.3	\$68.9
Percent of Net Sales	25.1%		25.2%
<b>Total Gross Profit</b>	<b>\$169.5</b>	<b>\$2.8</b>	<b>\$172.3</b>
Percent of Net Sales	25.6%		26.0%

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## Q2 YTD 2012 Profit & Loss Statement



Reconciliation GAAP to non-GAAP (\$Millions)

	2012 (GAAP)	Restructuring	Non-routine Expenses	Non-routine Impairment	Non-routine Income	2012 (non-GAAP)
Total Revenue	\$1,441.7	\$0.0	\$0.0	\$0.0	\$0.0	\$1,441.7
<b>Total Gross Profit</b>	<b>\$378.8</b>	<b>(\$0.8)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$378.0</b>
Percent of Net Sales	26.3%					26.2%
<b>Operating Expenses</b>						
Selling, G & A	\$238.6	(\$3.2)	(\$1.3)	\$0.0	\$0.0	\$234.1
R, D & E	\$39.0	\$0.0	\$0.0	\$0.0	\$0.0	\$39.0
Impairment of Assets	\$6.7	\$0.0	\$0.0	(\$6.7)	\$0.0	(\$0.0)
<b>Total Operating Expense</b>	<b>\$284.3</b>	<b>(\$3.2)</b>	<b>(\$1.3)</b>	<b>(\$6.7)</b>	<b>\$0.0</b>	<b>\$273.1</b>
Percent of Net Sales	19.7%					18.9%
<b>Total Operating Profit</b>	<b>\$94.5</b>	<b>\$2.4</b>	<b>\$1.3</b>	<b>\$6.7</b>	<b>\$0.0</b>	<b>\$104.9</b>
Percent of Net Sales	6.6%					7.3%
Other income/(expense)	\$6.9	\$0.0	\$0.0	\$0.0	\$0.0	\$6.9
Inc from Cont Ops before Tax	\$101.5	\$2.4	\$1.3	\$6.7	\$0.0	\$111.9
Income Taxes	7.0%					7.8%
	(\$27.7)	(\$0.8)	(\$0.5)	(\$2.5)	\$0.0	(\$31.5)
<b>Income from Cont Ops</b>	<b>\$73.8</b>	<b>\$1.6</b>	<b>\$0.8</b>	<b>\$4.2</b>	<b>\$0.0</b>	<b>\$80.4</b>
Percent of Net Sales	5.1%					5.6%
Noncontrol Interest - Net Tax	(\$2.1)	\$0.0	\$0.0	\$0.0	\$0.0	(\$2.1)
<b>Inc from Cont Ops - Net Tax</b>	<b>\$71.7</b>	<b>\$1.6</b>	<b>\$0.8</b>	<b>\$4.2</b>	<b>\$0.0</b>	<b>\$78.3</b>
Income from Disc Ops - Net Tax	\$0.0	-	-	-	-	-
<b>Net Income</b>	<b>\$71.7</b>	<b>\$1.6</b>	<b>\$0.8</b>	<b>\$4.2</b>	<b>\$0.0</b>	<b>\$78.3</b>
Percent of Net Sales	5.0%					5.4%

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## Q2 YTD 2011 Profit & Loss Statement



Reconciliation GAAP to non-GAAP (\$Millions)

	2011 (GAAP)	Restructuring	Non-routine Expenses	Impairment	Non-routine Income	2011 (non-GAAP)
Total Revenue	\$1,276.5	\$0.0	\$0.0	\$0.0	\$0.0	\$1,276.5
<b>Total Gross Profit</b>	<b>\$318.9</b>	<b>\$9.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$327.9</b>
Percent of Net Sales	25.0%					25.7%
<b>Operating Expenses</b>						
Selling, G & A	\$243.2	(\$7.3)	(\$10.5)	\$0.0	\$0.0	\$225.4
R, D & E	\$38.8	(\$0.0)	\$0.0	\$0.0	\$0.0	\$38.8
Impairment of Assets	\$3.0	\$0.0	\$0.0	(\$3.0)	\$0.0	\$0.0
<b>Total Operating Expense</b>	<b>\$284.9</b>	<b>(\$7.3)</b>	<b>(\$10.5)</b>	<b>(\$3.0)</b>	<b>\$0.0</b>	<b>\$264.2</b>
Percent of Net Sales	22.3%					20.7%
<b>Total Operating Profit</b>	<b>\$34.0</b>	<b>\$16.3</b>	<b>\$10.5</b>	<b>\$3.0</b>	<b>\$0.0</b>	<b>\$63.7</b>
Percent of Net Sales	2.7%					5.0%
Other income/(expense)	\$4.3	\$0.0	\$0.0	\$0.0	\$0.0	\$4.3
Inc from Cont Ops before Tax	\$38.3	\$16.3	\$10.5	\$3.0	\$0.0	\$68.0
	3.0%					5.3%
Income Taxes	(\$12.5)	(\$3.3)	(\$3.8)	(\$1.1)	\$0.0	(\$20.8)
<b>Income from Cont Ops</b>	<b>\$25.7</b>	<b>\$13.0</b>	<b>\$6.6</b>	<b>\$1.9</b>	<b>\$0.0</b>	<b>\$47.2</b>
Percent of Net Sales	2.0%					3.7%
Noncontrol Interest - Net Tax	(\$3.0)	\$0.0	\$0.0	\$0.0	\$0.0	(\$3.0)
<b>Inc from Cont Ops - Net Tax</b>	<b>\$22.8</b>	<b>\$13.0</b>	<b>\$6.6</b>	<b>\$1.9</b>	<b>\$0.0</b>	<b>\$44.3</b>
Income from Disc Ops - Net Tax	\$0.5	-	-	-	-	\$0.5
<b>Net Income</b>	<b>\$23.3</b>	<b>\$13.0</b>	<b>\$6.6</b>	<b>\$1.9</b>	<b>\$0.0</b>	<b>\$44.8</b>
Percent of Net Sales	1.8%					3.5%

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## Q2 YTD 2012 Product & Service Gross Profit



Reconciliation GAAP to non-GAAP (\$Millions)

	2012 (GAAP)	Restructuring	2012 (non-GAAP)
Service Revenue	\$793.8	\$0.0	\$793.8
Product Revenue	\$647.9	\$0.0	\$647.9
<b>Total Revenue</b>	<b>\$1,441.7</b>	<b>\$0.0</b>	<b>\$1,441.7</b>
Service Gross Profit	\$214.3	(\$0.9)	\$213.4
Percent of Net Sales	27.0%		26.9%
Product Gross Profit	\$164.5	\$0.1	\$164.6
Percent of Net Sales	25.4%		25.4%
<b>Total Gross Profit</b>	<b>\$378.8</b>	<b>(\$0.8)</b>	<b>\$378.0</b>
Percent of Net Sales	26.3%		26.2%

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## Q2 YTD 2011 Product & Service Gross Profit



Reconciliation GAAP to non-GAAP (\$Millions)

	2011 (GAAP)	Restructuring	2011 (non-GAAP)
Service Revenue	\$753.3	\$0.0	\$753.3
Product Revenue	\$523.2	\$0.0	\$523.2
Total Revenue	\$1,276.5	\$0.0	\$1,276.5
Service Gross Profit	\$189.3	\$8.6	\$197.9
Percent of Net Sales	25.1%		26.3%
Product Gross Profit	\$129.6	\$0.4	\$130.0
Percent of Net Sales	24.8%		24.8%
Total Gross Profit	\$318.9	\$9.0	\$327.9
Percent of Net Sales	25.0%		25.7%

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## Free Cash Flow Reconciliation



(\$Millions)

	<u>Q2 YTD</u> <u>2011</u>	<u>Q2 YTD</u> <u>2012</u>
Net cash provided (use) by operating activities (GAAP measure)	(\$100.0)	(\$34.0)
Capital expenditures	(23.7)	(20.6)
Free cash flow (use) (non-GAAP measure)	(\$123.7)	(\$54.6)

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