

Im Trend

Bankjournal

No. 1_August 2007

S_04: Austria's first cash recycler comes from KEBA

S_16: KePlus market launch at the CeBIT 07

S_20: The KEBA Group passes the EUR 100 million mark



KEBA

Automation by innovation.



Dear Reader,

Sparkasse Niederösterreich Mitte West AG and KEBA are making history. This is because Sparkasse has become the first Austrian bank to realise the cash cycle function on a self-service terminal and is using KEBA technology for this purpose. The trend towards a closed cash cycle is becoming increasingly tangible. Therefore, in this edition of our journal you can read about the experience gathered with this highly cost-efficient technology and how you can enjoy these advantages. In addition to interesting specialist articles and user reports, you will also find information about the positive developments in other business areas and a highly successful business year for the KEBA Group.

May I wish you pleasurable reading.

Yours sincerely,

A handwritten signature in black ink, which appears to read 'Franz Berger'.

Franz Berger, MBA
KEBA Banking and Service Automation Business Unit Manager

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Austria's first cash recycler comes from KEBA!

On April 25, 2007, Sparkasse Niederösterreich Mitte West AG became the first Austrian bank to implement the "closed cash cycle" function on a self-service terminal and used KEBA technology for this purpose.

Sparkasse Niederösterreich Mitte West AG in St. Pölten has total assets of around two billion euros, approximately 80,000 retail customers, some 8,000 commercial clients and 45 branches, and is the largest, independent banking institute in the Lower Austrian central zone.

On April 25, 2007, the bank became the first in Austria to release the cash cycle function on a self-service terminal and thus implement the closed cash cycle. The notes paid into the terminal are checked with regard to their authenticity and suitability for circulation, sorted into cassettes and only reissued following a second authenticity check. The banknote identification modules used for this purpose are examined annually by the Austrian National Bank and meet the strictest quality criteria.

The project

In co-operation with Sparkasse

Niederösterreich Mitte West AG and Sparkasse Oberösterreich AG, ERSTE Bank and s IT Solutions (previously Spardat), in co-ordination with the Austrian National Bank, the Sparkasse Group has created the basis for the very latest banknote processing system. As early as 1991, the Sparkasse launched a project aimed at automating deposit and savings book transactions and KEBA was then identified as the supplier with the most advanced level of technical know-how. This marked the start of a long-term constructive partnership, which has now reached an initial highpoint with the actual realisation of the cash cycle function.

Successful co-operation

Since 1998, the Austrian Sparkasse Group has continued to profit from KEBA's know-how lead and at present some 200 KEBA terminals are in operation at Sparkasse banks. 120 of these

devices have been prepared for the release of the cash cycle function and KEBA has also received a further order for an additional fifty terminals from the Sparkasse Group.

Pilot operations, which commenced on April 25, 2007, have already been enlarged to include identical terminals at the ERSTE Bank, Sparkasse Oberösterreich AG and the Carinthian Sparkasse with the result that, by the end of the year, it will be possible for all the Sparkasse's combined deposit and dispensing terminals to employ safe and cost-efficient cash cycle technology.

KEBA – a cash cycle technology pioneer

It is no coincidence that Austria's first recycling system should come from KEBA, as the company disposes over long-term banking experience and is currently the leader with regard to technology and innovation in the area of combined deposit and dispensing



From l. to r.: Peter Cecelsky (Member of the Managing Board, Sparkasse Oberösterreich AG), Gerhard Luftensteiner (Chairman, KEBA AG), Otto Korten (Member of the Managing Board Sparkasse Niederösterreich Mitte West AG), Walter Mangl (CEO, Spardat/ s IT solutions), Stefan Augustin (Senior Head of Department, Austrian National Bank)



The advantages of KEBA terminals with cash cycle technology

- 100 per cent security during the issue of banknotes due to the double authenticity check.
- Fewer terminal downtimes, as the cash cassettes are repeatedly replenished with the deposited banknotes.
- The quality of the recycled, used banknotes is enhanced by the cash cycle function, as only so-called fit (suitable for recirculation) banknotes are made available. So-called unfit (unsuitable for recirculation) banknotes are separated out and returned to the Austrian National Bank.
- The system reduces CIT, capital investment and service costs, and staff has more time for customer service, as they are largely freed from the handling of cash.

terminals with cash cycle technology. The 1990s already witnessed the presentation of the company's initial ideas regarding a closed cash cycle and following several years of development work, a product family emerged, which completed all routine bank business from payment slip transfers, to savings book deposits and withdrawals, and cash transactions.

Around 6,000 KEBA banking terminals are in operation worldwide, of which 2,200 are equipped with cash cycle

technology. At present, KEBA terminals with cash cycle technology are mostly installed in Germany and Austria (1,200 terminals) and China (1,000 terminals).

Recycling release for the entire EU

KEBA has fulfilled § 36 of the Federal Banking Act with regard to the retention of copied or counterfeited banknotes since 1999. The Governing Council of the European Central Bank gave the green light for self-service recycling in Europe in 2002. KEBA's combined de-

posit/dispensing terminals were the first to pass the system test demanded by the European Central Bank and thus received a recycling release for the whole of the EU.

Self-service banking from KEBA

Alfred Schmidt, s IT Solutions:

s IT Solutions' experience with pilot cash recycling using SB-Neu, the central software platform employed for self-service within the Sparkasse Group, is extremely pleasing. As usual, the realisation of this project took place in a spirit of excellent co-operation with KEBA, ERSTE Bank and the savings banks. SB-Neu facilitates the individual control of the cassettes and the terminals and thus creates additional potential for the reduction of interest expenses and the optimisation of replenishment cycles. Therefore, cash recycling represents a successful addition to the functional range offered by SB-Neu and underlines the claim to provide full self-service. This is also confirmed by the very positive feedback from the banks where the pilot scheme is running.

Burkhard Haider, Sparkasse Niederösterreich Mitte West AG

In May and June (up to June 24, 2007) our two recyclers handled over 47,000 banknotes. Customer utilisation has been smooth and we are also extremely satisfied with the high availability level. We have been able to prolong the previous two-three day emptying period to eight to ten days, even though the dispensing function has only been slowly accepted (due to the previous lack of cash dispensing). By the end of November 2007 (start of the Christmas shopping period) our bank will have converted all its fifteen systems with a recycling capability to the closed cash cycle. The aim is to make increased capacity for commercial customers available and to offer additional dispensing points for Christmas shoppers.



**Peter Seitz,
ERSTE Bank:**

ERSTE Bank put its first recycling terminal into operation on April 26, 2007. This alteration did not involve any changes for customers, as the dispensing function had been available from this terminal for the past 18 months (but without recycling). The recycling function has dramatically prolonged the service cycles for if up to now, the deposit boxes had to be emptied every two days, the terminals are now available for eight to ten days and are then completely emptied.

In addition, the use of all the cassettes has eased the problem of the terminals becoming full over the weekends. The ratio of deposits to withdrawals currently stands at around 2:1. In future an increasing number of dispensing transactions will contribute to still longer terminal operation without servicing.

**Christian Traxler,
Sparkasse Oberösterreich:**

The pilot phase commenced on May 3, 2007, at the Kleinmünchen branch in Linz. By May 31, 1,092 withdrawal transactions and 923 deposits had been made using the terminal with cash cycle technology. The technical cycle lasted between 12-14 days, as opposed to the twice weekly CIT servicing needed prior to the release of the recycling function. The closed cash cycle resulted in a reduction of such monthly servicing operations from eight to two. In addition, the CIT servicing charge was cut by 21 per cent per month. We are also extremely happy with the technology and the software, which function perfectly and offer 100 per cent system availability. As far as marketing is concerned, we must launch an information offensive so that an even larger number of customers use the recycler as a cash dispenser.

**Andreas Diwald,
Carinthian Sparkasse:**

The Carinthian Sparkasse has piloted the recycling function at its Pischeldorferstrasse and Annabichl branches. In both cases, the functionality (hard- and software) has proved highly satisfactory and there have been no handling difficulties for either employees or customers. At the first branch mentioned, during the observation periods, a total of 1,362 deposits and 1,304 withdrawals were completed. On average, the deposit cassettes were emptied every two days. At the Annabichl branch, the release of the closed cash cycle has increased the average periods between cassette emptying by roughly 100 per cent to 14 days.

Statements

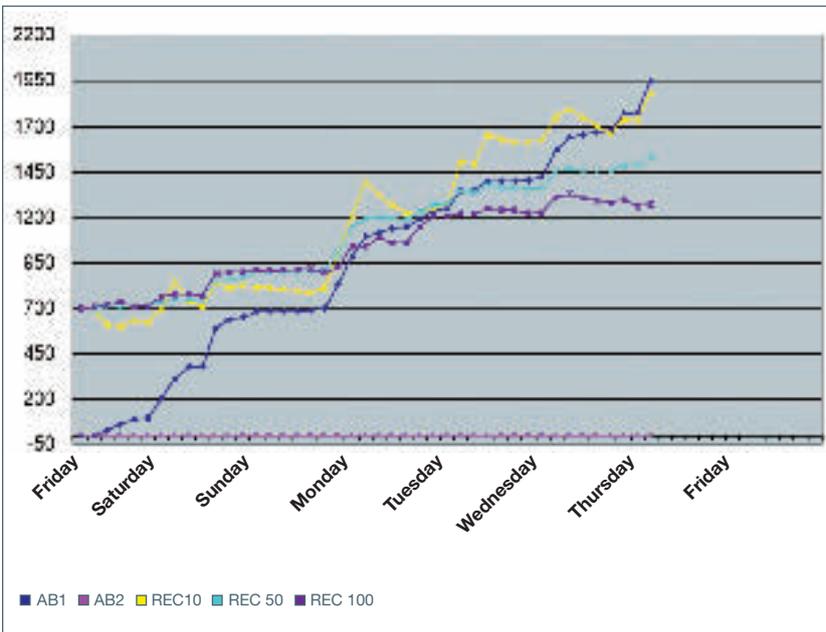
Recycling with KEBA – cost efficiency from the word go!

In April 2007, ERSTE Bank started to operate with recycling through the installation of a terminal at its branch in the Graben in Vienna. The release of the recycling function of KEBA terminals will lead to annual costs savings of around EUR 15,000. As a result, pay-back on the KEBA terminal with cash cycle technology will be automatic and within a very short period!



As a result of a prior location analysis, ERSTE Bank opted for the 3+2 variation, i.e. two cassettes only for deposits and three recycling cassettes (combined deposit and dispensing cassettes). This creates the possibility of fitting the recycling boxes with the three most used denominations (10, 50, 100 euro notes) and, following paying in and checks on authenticity and fitness, to use these for dispensing.

The equipping of the cassettes during start-up is clearly shown in the subsequent diagram. The two deposit cassettes are empty and each of the recycling cassettes is filled with 700 banknotes up to a maximum capacity of 2,200.



Until now, ERSTE Bank used the installed KEBA systems as separate deposit/dispensing terminals, which meant that they had to be emptied by a CIT company every one to two days. Naturally, all 4a (fit) category banknotes were also removed, which was clearly cost-inefficient. As a result of the switch to recycling, the dispensing cassettes are replenished by means of the numerous deposits made by bank customers, who have accepted the major advantages of 24-7 deposits.

Even if pay-ins and -outs are in imbalance, with dispensing often predominating, the flexible cassette configuration offers major advantages. In the case of the ERSTE Bank branch under study, both types of transaction differ

as shown below:

	Deposits	Withdrawals
Friday	21	60
Saturday	29	64
Sunday	13	18
Monday	53	93
Tuesday	13	24
Wednesday	55	93

Naturally, the biggest cost saving derives from the low number of replenishment and emptying operations. If prior to the introduction of recycling, the deposit cassettes had to be emptied every one to two days, now this is only required after eight to twelve days. This saving shows an immediate positive effect, as an average stop cost EUR 100 and the prolongation of the periods results in a reduction in annual costs of around EUR 15,000. This means that apart from all the other unmentioned possibilities for cost reduction (e.g. flexible use of resources, removal of one dispensing terminal), the KEBA recycling terminal pays for itself within a very short space of time.



“Recycling is also cost-efficient even when pay-ins and -outs are not in balance, as the flexible cassette configuration solves this problem most effectively.”

Peter Seitz, Channel Management Branches and Self-Service

Interview



“Naturally, KEBA’s R&D activities are constantly continuing and as far as technical innovations are concerned, KEBA is certainly among the market leaders.”

Franz Berger, KEBA Banking and Service Automation Business Unit Manager

Intelligent self-service solutions and individual customer discussions as success factors

Franz Berger, the KEBA Banking and Service Automation Business Unit Manager, regards the customer self-service market as being far from saturated. Above all, as he reveals in the following interview, he sees major opportunities in the closed cash cycle.

Im Trend: Branch concepts are in transition. What role does customer self-service play in this scenario and how does KEBA support the banks with new sales initiatives?

Franz Berger: For some years, there has been a steady increase in the number of proponents of branch concepts, which rely heavily on self-service. Many banks are attempting to switch cash from the counter to the self-service zone, thus enabling customers to complete standard transactions and the increasing release of branch staff for sales activities.

In the self-service area, KEBA can refer to long-term experience and has successfully advised numerous customers with regard to this type of strategy, i.e. what terminal pool is best suited to which branches and the respective self-service foyers. In this connection, it is very important that branch employees are closely involved in the development process and that anxieties are removed. In recent years, the type of coaching has been utilised frequently by customers and supports a successful self-service launch.

Im Trend: If we look across the borders, do you see differences between the requirements of the banks and the savings banks?

Franz Berger: As a result of demogra-

phic and socio-economic differences, the requirements are indeed extremely different. For example, in Germany virtually every inhabitant has a separate account, whereas in Romania this only applies to 10 % of the population. This leads to differing configurations and profiles in the self-service landscape. KEBA attempts to offer effective, cost-efficient solutions for all target groups in all active markets. For example, a bar code scanner has been integrated into the terminals for the CEE market. This is available for the payment of daily accounts and clearly shows that KEBA works very closely with its customers, in order to repeatedly integrate their requirements into products.

Im Trend: Replacement or growth in the German banking terminal market?

Franz Berger: Like Austria, Germany has an excellent, full coverage range of banking terminals (In Germany, 1 banking terminal for approx. 1,400 inhabitants, in Austria 1 banking terminal for approx. 1,000 inhabitants). We see a great deal of potential in the replacement area, whereby the task is to publicise the cost-efficiency of the KEBA recycler to a far greater extent in the market. If we succeed, in future, standard banking terminals will be replaced by such efficient solutions and the customer will no longer need to invest in two machines and their servicing.



Im Trend: What KEBA initiatives are there in Eastern Europe?

Franz Berger: During the past year, KEBA founded a subsidiary in Romania. We optimise our systems in line with regional market requirements on the spot basis with local software developers. As a result of the expansion of many Western European banks (above all from Austria), an extremely attractive market environment has been created, which we see as highly promising.

Im Trend: Are technological advances feasible and if so, what form will they take?

Franz Berger: During recent years a great deal of work has taken place, which has enhanced both the availability and performance of banking terminals. It will be very difficult to make

Intelligent self-service solutions and individual customer discussions as success factors

major technological advances in the near future. However, naturally enough KEBA's R&D activities are continuing and should a technical breakthrough occur in this market, KEBA will certainly be part of it. Whatever the case, medium-term progress in this branch will lie in the integration of differing functions in the terminals (in addition to the classic depositing/dispensing of notes and coins, the receipt of lottery tickets, loan allocations, ticket printing, ...).

Im Trend: Will the competitors for self-service customers in Germany remain the same?

Franz Berger: During the past few years, the active competitors have moved still closer together, whereby KEBA's innovation lead, particularly with regard to the topic of recycling, clearly gives us an edge. The entry barriers to this market are extremely high and a long-term presence is also needed for customer acceptance. I think there is a sufficient number of competitors in the banking automation sector, whereby one or two set the tone. The generation of differentiating characteristics and their successful placing within the market constitutes another major challenge.

Im Trend: What differentiating characteristics do you see among the competition?

Franz Berger: As I said, the gaps between the various competitors have closed in the course of time. This can be seen in the fact that many are already using the same technology for the cassettes and other components. The future differentiation will emanate from complete package offers consisting of price, product and service. Customers are looking for a partner, who not only solves one problem, but also can take on all the problems in the self-service banking area and answer them in a professional and efficient manner.

Interview

Im Trend: What growth opportunities do you see in Germany?

Franz Berger: The German market still offers a wealth of potential in the self-service deposit area, i.e. in the coming decade the number of installed solutions is set to rise from its current level of around 6,000, to 23,000 systems in 2017 (source: RBR Study "Deposit Automation in Germany", 2006). This forecast incorporates a large number of terminals with a recycling function, i.e. approximately 80 per cent of all automatic deposit systems will also recycle. This study confirms the approach adopted by KEBA and we are confident that we will further extend our market leadership in Germany with our new product family.

Im Trend: Have the demands of bank customers, the banks and savings banks altered and if so, how has KEBA responded?

Franz Berger: I believe that in recent years the market has already gone through its biggest changes. The topic of self-service is well anchored in the current banking structure and has become indispensable. The main issues with regard to self-service devices are cost-efficiency, performance and ease of servicing and these have been largely answered. It is a matter of course that the technology will develop further and the devices become faster. Although in our opinion this will have little influence on the banks and their customers. The terminals will assume an increasing number of functions, whereby this does not pose the banks with a major challenge. There is cer-



tainly potential in the field of "deposits". This is congruent with KEBA's core business, as we offer economic solutions in a closed monetary cycle.

Im Trend: A customer enters a bank branch in 2015. What will catch his or her eye?

Franz Berger: The customer will notice the open design of the branch, which will have clearly structured zones, consisting of a self-service foyer, a consulting area and café, which will allow the customer to combine pleasure with banking business. The aim is to create an atmosphere in which the handling of financial products and other banking activities become an everyday occurrence and are presented to the customer in a manner that is friendly, open and uncomplicated. The branch of the future will offer a blend of information and a chance to relax in order that every bank customer receives optimum service.

The new Kendo

The new teller system with cash cycle technology and fitness test

- Closed cash cycle
- Genuine banknote recognition with fitness test
- Deposit and dispensing of 8 types of notes
- Eight roll storage modules
- Automatic note recognition
- Two safety (cash) deposit boxes



The new Kendo and Kendo light devices are teller systems with cash cycle technology and fitness check for the optimum organisation of the cash segment. The advantages of Kendo and Kendo light emanate from the locally closed cash cycle and the certainty that notes are suitable for circulation. This derives from the fact that deposited banknotes are subjected to automatic recognition and checks on their authenticity and fitness. They are then fed to the appropriate storage point. As a result, the notes are immediately ready for the next, precise payment and the amounts of cash held at the counters are kept to a minimum. The Kendo systems can also meet spatial and organisational requirements in an optimum manner. Kendo is used for standing and Kendo light for sitting operation and both support bank staff during cash transactions.

Naturally, online integration into the bank computer network is possible.

Improvements as compared to the predecessor model

- Banknote authenticity and fitness check. Kendo functions in accordance with the ECB Art.6, which means that deposited and checked notes can be re-employed, e.g. for the replenishing of automatic cash dispensers.
- Increased roller storage capacity.
- Two models for standing and seated operation.
- Optional network linkage via Ethernet.
- Greater security through the UL 291 and CEN III safe variations.
- Connection to day safes.

Raiffeisenbank Steyr puts new life into the Bahnhofstrasse district

With the opening of a purely self-service branch in the railway station area of Steyr and the transfer of consulting to a nearby services centre, Raiffeisenbank Steyr has maintained its local banking capacity at favourable conditions and demonstrated its role as a first class services supplier.



Johann Weiwurm from Raiffeisenbank Region Steyr relies on full self-service

In line with the revitalisation of an empty house on the corner of Bahnhofstrasse/Pachergasse, planned by the architect Buchberger, the doors of a new self-service bank recently opened near Steyr station. As a result of the innovative concept, all counter business is offered on a self-service basis, thus allowing banking transactions to be carried out within a flexible timeframe. Accordingly, a comfortable and close to the client service is provided for the business that has to be completed by customers twice or four times monthly.

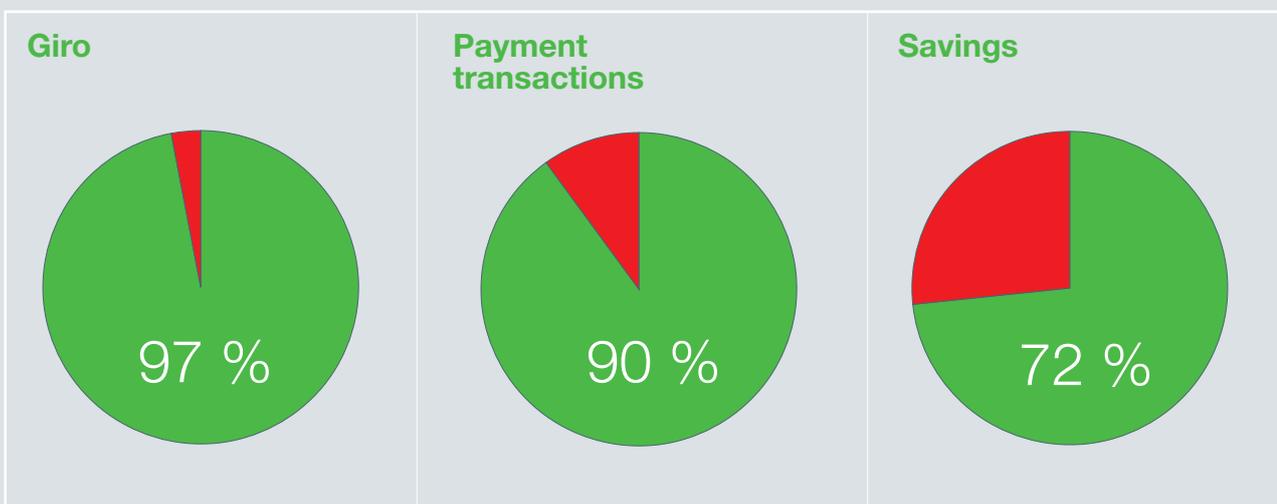
With the KEBA self-service systems, Raiffeisenbank Steyr furnishes a full service, which has had a positive effect of customer satisfaction levels. This is because self-service bank charges are considerably lower than those for staff service and flexibility with regard to banking hours is also guaranteed.

Naturally, the desire for interpersonal communication and face-to-face consulting is also accounted for, customers from the district catchment area being offered high quality support at the Services Centre on the Steyr Town Square.

As a result of the restructuring of the Bahnhofstrasse branch, Raiffeisenbank Steyr has contributed to the development of the station district of the town and the location of additional businesses.



High acceptance rates for full self-service



■ Self-service customers ■ Staff served customers

KEBA assumes patronage of the winner in the “Most Innovative Bank” category



The glamorous victor Gala 07 will be held at the Baden Stadttheater

For the fourth time, emotion banking® has offered an invitation to the glamorous victor Gala. The 2007 event is to be held at the Stadttheater Baden on September 20, 2007. victor represents a location analysis and a competition for the title of “Bank of the Year”, as well as being an international branch meeting. This year, KEBA has assumed the patronage of the winner in the “Most Innovative Bank” category, who is determined on the basis of comprehensive analyses and the judgement of a qualified and independent jury of experts.



The victor was launched by the consulting company, emotion banking®, which specialises in the banking segment, in 2004. In addition to the competition for the title of the “Bank of the Year”, the focus is on a comprehensive evaluation of the current situation of banks and international benchmarking. The scientific partner for the competition is the Donau University in Krems, Austria.

At this year’s gala, which bears the title “GOLDEN EMOTIONS”, the most outstanding and successful banks and savings banks from throughout the Ger-

man-speaking region will be awarded the coveted victor trophies.

The path to such an award has two stages. Firstly, the results of a questionnaire are evaluated using a special scoring process. Then, on the basis of these figures, the best banks and savings banks are presented to a qualified, independent jury by means of short, anonymous portraits relating to each category. The jury then determines the winners.

In addition to the standard categories, each year special classifications are ad-

ded and this year, KEBA has assumed the patronage of the “Most Innovative Bank” category. KEBA is looking forward to a comprehensive location analysis and a scintillating victor gala and wishes all the competing banks and savings banks every success.

Detailed information under www.bankdesjahres.com



KePlus market launch at the CeBIT



The new KePlus banking terminals were the object of amazement

The market launch of the KePlus terminals at the CeBIT 07 was a complete success. As the technology and innovation leader in the self-service deposit and dispensing terminal sector, KEBA premiered its new generation KePlus ATMs, which had been previously described by the Commerzbank as, “masterpieces of engineering.” In fact, not only are the machines new, but also the name and corporate design have been revamped in order to underline KEBA’s step into a new age.

And the winner is...



Johannes Sonneborn from the Sparkasse Bielefeld is the lucky winner of the CeBIT prize competition

and can look forward to a trip to Australia. The victor was drawn from over 500 entries and KEBA would like to offer both its congratulations and best wishes for an unforgettable journey!

Debut at the CeBIT

The new KePlus terminal generation consisting of two ATMs with cash cycle technology (KePlus R6 and KePlus X6) and two deposit systems with an optimised range of functions (KePlus M6 and KePlus D6) made their global debut at the CeBIT in Hanover on March 15-21.

The new products, which offer decisive improvements in the form of reduced transaction times, increased security through the further development of the banknote checking device and a new design, triggered excellent feedback from the visitors to the fair, who

included the Deutsche Bank, the Commerzbank, the Postbank, the Landesbank zu Oldenburg and numerous savings banks.

Banks and savings banks are able to profit from these new features and by using the KePlus can obtain major costs advantages by reducing their CIT, capital investment and servicing/maintenance costs.

As a result of the presence of major customers, interested visitors and potential customers had an opportunity to hold informative discussions on the topic of cash recycling and thus gain practical insights.

KePlus

All in all, this year's CeBIT saw the documentation of numerous contacts with bankers, retailers and services organisations, a large percentage of whom came from Germany. It was noticeable that as compared to the preceding year, the intensity of the discussions had increased sharply and that there was a marked increase in interest regarding cash recycling.

Rondo becomes KePlus

In the course of the market launch, the KEBA branding was reworked and as of now a wide, green angled stripe forms the centrepiece of the corporate design. In addition to the visual image, which is mirrored by all brochures, advertisements, mailings, trade fair stands and other advertising items, the name "Rondo" has been replaced by "KePlus".



Thus KEBA is also linked with the new systems throughout the company portfolio in terms of nomenclature. KePlus allows the clear classification of KEBA

ownership and the individual products, with the designations R6, D6, X6 and M6, are all included within this product group.

Trade fair reception

Another highlight was the trade fair reception held on March 19 on the KEBA stand, which was attended by a large number of guests. In addition to musical and culinary delights, Heinz Beeck from Deutsche Bank was presented with a picture of a Rondo R5 by Gerhard Luftensteiner, to appropriately mark the installation of the 600th terminal and a long, continuing and highly successful co-operation.



Heinz Beeck from Deutsche Bank, Michael Spatz and Gerhard Luftensteiner during the presentation

ARZ event

May 9-10 saw the holding of the ARZ Conference at the newly erected Spa Hotel Bründl. ARZ Allgemeines Rechenzentrum GmbH is an IT services competence centre, which numbers Volks-, Hypo- and private banks among its clientele. During the event, KEBA had an opportunity to present its new KePlus R6 and KePlus X6 terminals. As at the CeBIT, the new product generation garnered praise and positive feedback.



Management symposium in Vienna

Management symposium

KEBA also participated in this year's "Bank Sales Channels" symposium at Schloss Wilhelminenberg in Vienna. As at the ARZ event, the KePlus R6 and KePlus X6 terminals were also on display in Vienna



World Mail & Express Conference in London

KEBA "Cash cycle of the future" innovation workshop

Under the auspices of the experienced, innovation trainer, Michael Dell from ratio strategy & innovation consulting GmbH, a KEBA workshop was held at the Kreativzentrum Schloss Mühldorf on May 22, 2007, together with representatives of banks, savings banks, national banks, business companies and computer centres. In addition to the standard idea development approaches, modern creative techniques, e.g. TRIZ (theory of inventive problem-solving, especially in the technological foresight area), bionics and product development elements were employed due to the weak signals from trend research. A special focal point was provided by a cash recycling potential analysis and the pinpointing of new trends resulting from shifts in cash processing.

World Mail & Express Conference in London

At this year's World Mail & Express Conference in London, the KePol was presented to the attendees under relatively practical conditions. Telephone numbers from interested parties and potential customers were collected at the reception for the major World Mail Award Gala, at which KEBA and DHL received the innovation prize in 2004.

Prepared SMS messages with collection codes were then sent to the guests during the gala and the official programme was barely over, before the first guests came to pick up their parcels. In line with the KePol motto, "The package waits for you, not you for the package", the first parcels were collected shortly before midnight. As we know from the more than 600,000 KePol users, there are only smiling faces when the package emerges from its pigeonhole. Interesting discussions were initiated and may well lead to a positive conclusion with customer projects.

World Mail & Express Logistics in Dubai

A KePol showcase was displayed at the World Mail & Express Logistics (Middle East, Africa and South Asia), a logistics trade fair in Dubai. The compartment system with Qatar Post branding, which will carry out pilot operations, initially using three KePols, prompted a highly enthusiastic response among the attendees. The interest of the national and international logistics experts for the KePol system was very considerable.



World Mail & Express Logistics in Dubai

News



World Mail & Express Logistics in Dubai



EL trade fair in Budapest

EL in Budapest

From May 21-25, 2007, KEBA presented its proven KeWin lottery terminals at the EL (European Lotteries) trade fair in Budapest. In addition to the KeWin multimedia high-speed terminal, the KeWin mini and KeWin check were also on display. A special eye-catcher was a self-service terminal exhibited by KEBA as a concept study. The major interest of the national and international decision-makers again showed that KEBA is also on the right path in the lottery business sector.

Key Account Manager Germany



In Hans-Jürgen Lenz, KEBA has obtained a branch expert and experienced specialist for its key account management. Hans-Jürgen is a trained industrial manager and has spent a number of years in key account management. His last appointment was as the Sales and Marketing Manager of Thales e-Transactions GmbH in Bad Hersfeld.

Hans-Jürgen assumed his KEBA appointment as a Key Account Manager on December 1, 2006, since when he has mainly been responsible for the support of savings banks in north-eastern Germany and KEBA's long-term sales partner, SSG Lange & Partner AG. Hans-Jürgen (44) was born in Eschwege and is married with three children.

KePlus product marketing

Gerd Liegerer (32) is a native of Linz and a graduate in business management with a focus on marketing. After his initial studies, Gerd took a degree in Master of Business Administration at the Southeastern Louisiana University. He then acquired important professional experience as a product and sales manager at ABATEC Electronic AG, where he and his team were responsible for sales planning, the support of the most important key accounts, and market research with subsequent further development. Since December 1, 2006, Gerd has headed KePlus product marketing at KEBA, where his main tasks are the profitable marketing of the KePlus product family in close co-operation with product management, sales, marketing, services, external sales partners and the customers.



Key Account Manager Austria



Franz Leitner joined the Austrian bank sales team on March 1, 2007. He is a graduate in economics from the University of Graz, where he specialised in monetary policy and the monetary economy, before commencing his professional career as a banker in Vienna. After two years, Franz moved into the IT branch, where he was active in the sales and consulting sector. Among other assignments, at IBM Franz was the responsible key account manager for banks in Upper Austria. In his new function at KEBA, he is looking after the western Austria sales area.

KEBA breaks the
EUR 100 million barrier
with an increase in
sales of over 10 per cent
and continues its
internationalisation policy



The KEBA headquarters in Linz and the CBPM-KEBA joint venture in China

KEBA is continuing its success in both the Austrian and international markets. The positive development in the company's two business areas, composed of industrial, banking and service automation, resulted in an increase in sales of over 10 per cent as compared to the 2005 financial year.

As KEBA AG chairman, Gerhard Luftensteiner, notes, "In the 2006 financial year (as per March 31, 2007) the parent company and subsidiaries of the Linz-based KEBA Group succeeded in raising their sales by EUR 9 million to EUR 99 million. Moreover, the CBPM-KEBA Sino-Austrian joint venture started to produce banking terminals in China on January 1, 2007, and should earn around EUR 12 million during its first year of business. As a result, with its share of the company, which is yet to be consolidated into the KEBA Group, KEBA broke through the EUR 100 million sales barrier during the past financial year."

Successful internationalisation

With an export quota of 76 per cent, the international market is of decisive importance to the business success of KEBA and its workforce of 717.

Gerhard Luftensteiner, "The future lies in the capture of new markets and during the 2006 financial year, KEBA continued its internationalisation policy with the foundation of a joint venture in China and a branch in Romania.

CBPM-KEBA- the first banking terminal assembled in China comes off the production line

KEBA AG has been co-operating with the China Banknote Printing and Minting Corporation (CBPM) in a joint venture, the Beijing-based CBPM-KEBA, since last autumn. Last year saw the start of the "production/assembly" project and on December 7, 2006, the first banking terminal to be produced outside Austria came off the production line.

Success

Innovation in tandem with the highest product and services quality also represent our key factors for success in the global market. International orders like those from the Chinese injection moulding machine producer, Haitian, the Spanish national lottery company and the German Commerzbank represent a clear indication of KEBA's successful path."

Market leaders look to KEBA

Following numerous successes in the banking automation sector, during the past financial year, the KeWin Lottery Solutions segment enjoyed particularly positive development. Apart from Austria, where KEBA has long been an exclusive supplier, the Spanish national lottery company and the German Fluxx AG also rely on quality from Austria.

In the KePol packet station segment, KEBA was able to capture follow-up orders from Deutsche Post and a pilot installation with 24 terminals was also installed in Vienna for Österreichische Post AG. In particular, KePol stands out against the competition due to KEBA's experience lead.

The industrial automation business segment is characterised by successful, long-term partnerships with the major customers Engel, Trumpf, Dürr and Bühler.

"The future lies in the capture of new markets."



Franz Höller and Gerhard Luftensteiner regard the future with confidence

Another 6,400 KEBA terminals for the world's most successful lottery

STL and KEBA are continuing their successful teamwork and on January 22, 2007, KEBA received an order for the supply of a further 6,400 KeWin multimedia lottery terminals to the Spanish lottery company, LAE (Loterias y Apuestas des Estado), which in terms of sales, is the strongest of its type in the world. LAE uses KEBA lottery terminals on a virtually full coverage basis.

Following the successful start-up of the first 2,200 KeWin multimedia terminals in Spain and their extremely positive performance, October 2006 and January 2007 saw orders for an

additional 7,790 terminals arrive from the Spanish company STL (Sistemas Técnicos de Loterías del Estados, S.A.). STL is responsible for the technical operation and maintenance

of the roughly 13,000 lottery terminals of the Spanish lottery company, LAE (Loterias y Apuestas des Estado).

Once the newly ordered KeWin multimedia terminals have been delivered, the world's largest lottery market in terms of sales will be virtually exclusively covered by terminals "Made in Austria". Moreover, KEBA again captured this latest order in the face of first class international competition.

According to KEBA Chairman, Gerhard Luftensteiner, "The decisive factors in the decision by STL and LAE not only consisted of the outstanding product characteristics, such as high levels of availability, reliability and a service-friendly system concept, but above all, the professionalism and commitment shown by our employees."

The high-speed KeWin multimedia terminal

Due to their enormous capacity, the KeWin multimedia terminals, which are in successful use in both Spain and Austria, offer the highest recognition rates and reliability, as well as state-of-the-art technology for the highest availability of all lottery terminals. Maximum performance and modularity with regard to both hard- and software characteristics ensure that the terminals offer future assurance and allow their configuration to suit customer needs.

The KeWin multimedia terminal can fully scan, evaluate and further process lottery tickets with sizes up to DIN A4 and US Letter with the very highest recognition levels. Instant tickets are processed using bar codes and a customer display is available for multimedia marketing.



KeWin multimedia

Lottery



KEBA lottery terminals are a real success story

1999 saw KEBA's initial equipping of 4,200 lottery ticket acceptance points with KeWin multimedia terminals, high-speed systems suitable for the handling of medium to large-sized lottery ticket volumes. Since then, KEBA has been the exclusive supplier to the Austrian National Lottery. Apart from the Austrian and Spanish lotteries, KEBA also provides the German company Fluxx with terminals and thus facilitates a unique lottery, which takes place at supermarket check-outs all over Germany.



The money just
keeps coming back.

KePlus ATM's with cash cycle
technology represent
an investment that pays.

Minimum cash handling costs in tandem with maximum availability and customer acceptance. This is what KePlus terminals offer for depositing and dispensing in a closed cash cycle, which offers the greatest cost-efficiency of all the available self-service solutions on the market.

Information about KePlus: www.keba.com



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