

Q1 2014 EARNINGS CONFERENCE CALL

BILL NUTI, CHAIRMAN AND CEO
JOHN BRUNO, EVP
BOB FISHMAN, CFO

April 29, 2014



NOTES TO INVESTORS

FORWARD-LOOKING STATEMENTS. Comments made during this conference call and in these materials contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that describe or relate to NCR's future plans, goals, intentions, strategies or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. The forward-looking statements in these materials include statements about the anticipated growth of NCR's software-related revenue (and the components thereof) and operational gross margins, the expected financial and other benefits from the acquisition of Digital Insight, the future growth and transformation of NCR and its lines of business, NCR's 2014 financial outlook and NCR's goals for 2014. Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR's control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors listed in Item 1a "Risk Factors" of NCR's Annual Report on Form 10-K and those factors detailed from time to time in NCR's other SEC reports. These materials are dated April 29, 2014, and NCR does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NON-GAAP MEASURES. While NCR reports its results in accordance with generally accepted accounting principles in the United States (GAAP), comments made during this conference call and these materials will include the following "non-GAAP" measures: non-pension operating income (NPOI), non-GAAP diluted earnings per share (non-GAAP diluted EPS), free cash flow (FCF), adjusted free cash flow (adjusted FCF), operational gross margin, operational gross margin rate, expenses (non-GAAP), adjusted EBITDA, effective tax rate, non-GAAP net income and constant currency. These measures are included to provide additional useful information regarding NCR's financial results, and are not a substitute for their comparable GAAP measures. Explanations of these non-GAAP measures and reconciliations of these non-GAAP measures to their directly comparable GAAP measures are included in the accompanying "Supplementary Non-GAAP Materials" and are available on the Investor Relations page of NCR's website at www.ncr.com. Descriptions of many of these non-GAAP measures are also included in NCR's SEC reports.

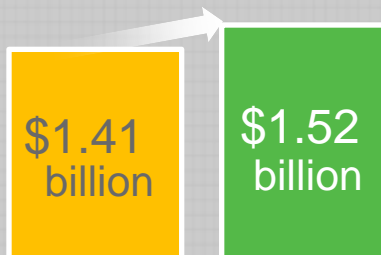
USE OF CERTAIN TERMS. As used in these materials, the term "software-related revenue" includes software license, software maintenance, software as a service (SaaS) and professional services revenue associated with software delivery, and the term "recurring revenue" means the sum of SaaS, hardware maintenance and software maintenance revenue. Investors are cautioned that in NCR's prior earnings releases and presentation materials, NCR used the term "software revenue," which does not include professional services revenue associated with software delivery. Therefore software revenue in such releases and presentation materials will not be directly comparable to software-related revenue in these materials.

These presentation materials and the associated remarks made during this conference call are integrally related and are intended to be presented and understood together.



Q1 2014 FINANCIAL HIGHLIGHTS

REVENUE

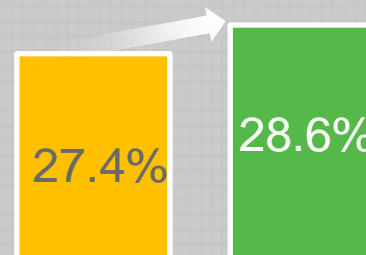


Q1 2013

Q1 2014

Up 8% y/y; up 10% on constant currency basis
Recurring revenue up 22%; 44% of total revenue

OPERATIONAL GROSS MARGIN

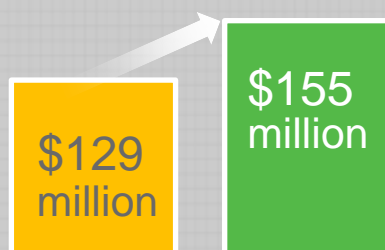


Q1 2013

Q1 2014

Up 120 bps y/y

NPOI



Q1 2013

Q1 2014

Up 20% y/y
All-time high⁽¹⁾ Q1 NPOI margin⁽²⁾ of 10.2%

FREE CASH FLOW



Q1 2013

Q1 2014

Cash from ops up \$10M offset by higher investment in capex of \$21M and disc ops of \$17M

- 17th consecutive quarter of y/y revenue and NPOI growth
- 18th consecutive quarter of meeting or beating EPS consensus estimate
- Record⁽¹⁾ Q1 NPOI results

(1) Post AT&T Spin-off, excluding Teradata.

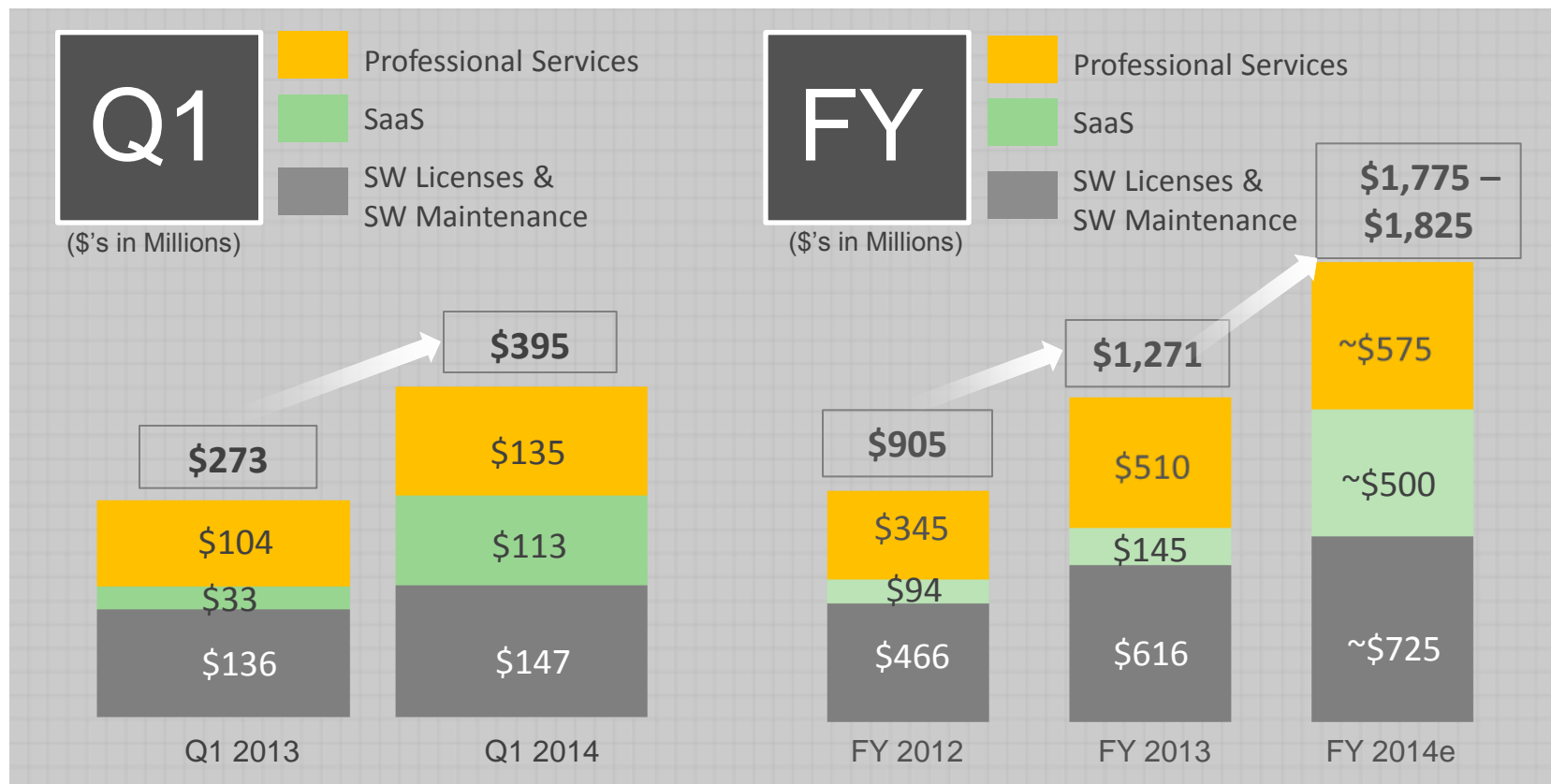
(2) NPOI as a percentage of revenue.

INVESTING IN OUR REINVENTION

- **Investing to deliver differentiated value and sustainable long-term growth**
 - Commitment to disruptive innovation/R&D and delivering compelling value
 - R&D as a % of revenue reaches an all-time high of 4.2%, up 15% y/y
 - Strengthening Services Delivery and Sales organizations
 - Improved productivity and efficiency gains to come
- **Committed to balancing investment , long-term goals & near-term performance**
 - **Financial Services:** Digital Insight acquisition integration
 - **Services:** Make Customer Services a competitive advantage
 - **Hospitality:** International expansion, Sales, Software/SaaS offers
 - **Emerging Industries:** Managed Services (T&T) infrastructure/onboarding

Business model transformation to a hardware-enabled, software-driven business

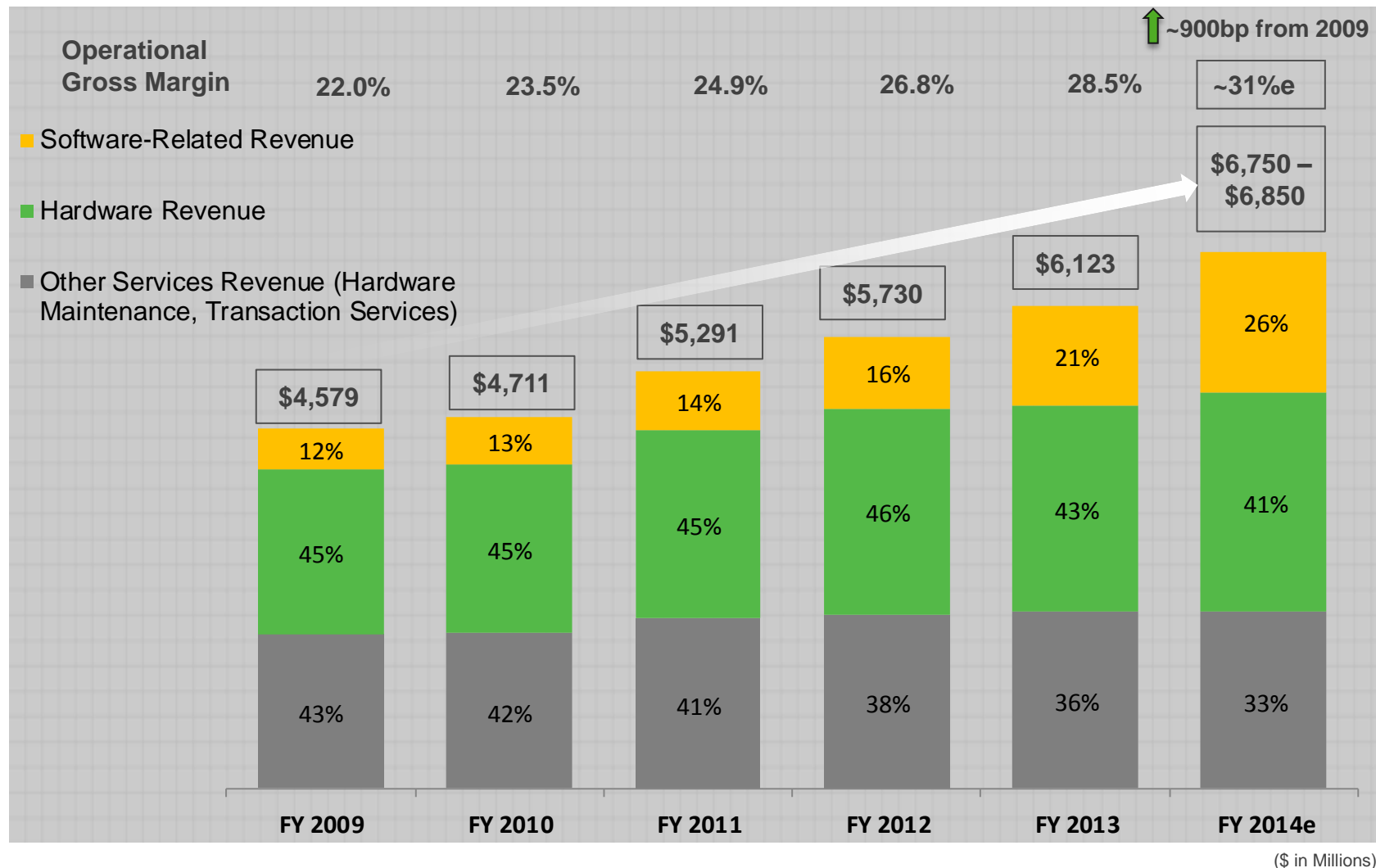
STRONG SOFTWARE-RELATED REVENUE GROWTH



- Q1 Software-related revenue up 45%
- Q1 Professional Services revenue up 30%
- Q1 SaaS revenue up 242%

- On target to generate ~\$1.8B in software-related revenue in FY2014
- 2014 estimated software-related revenue growth of 40-44%

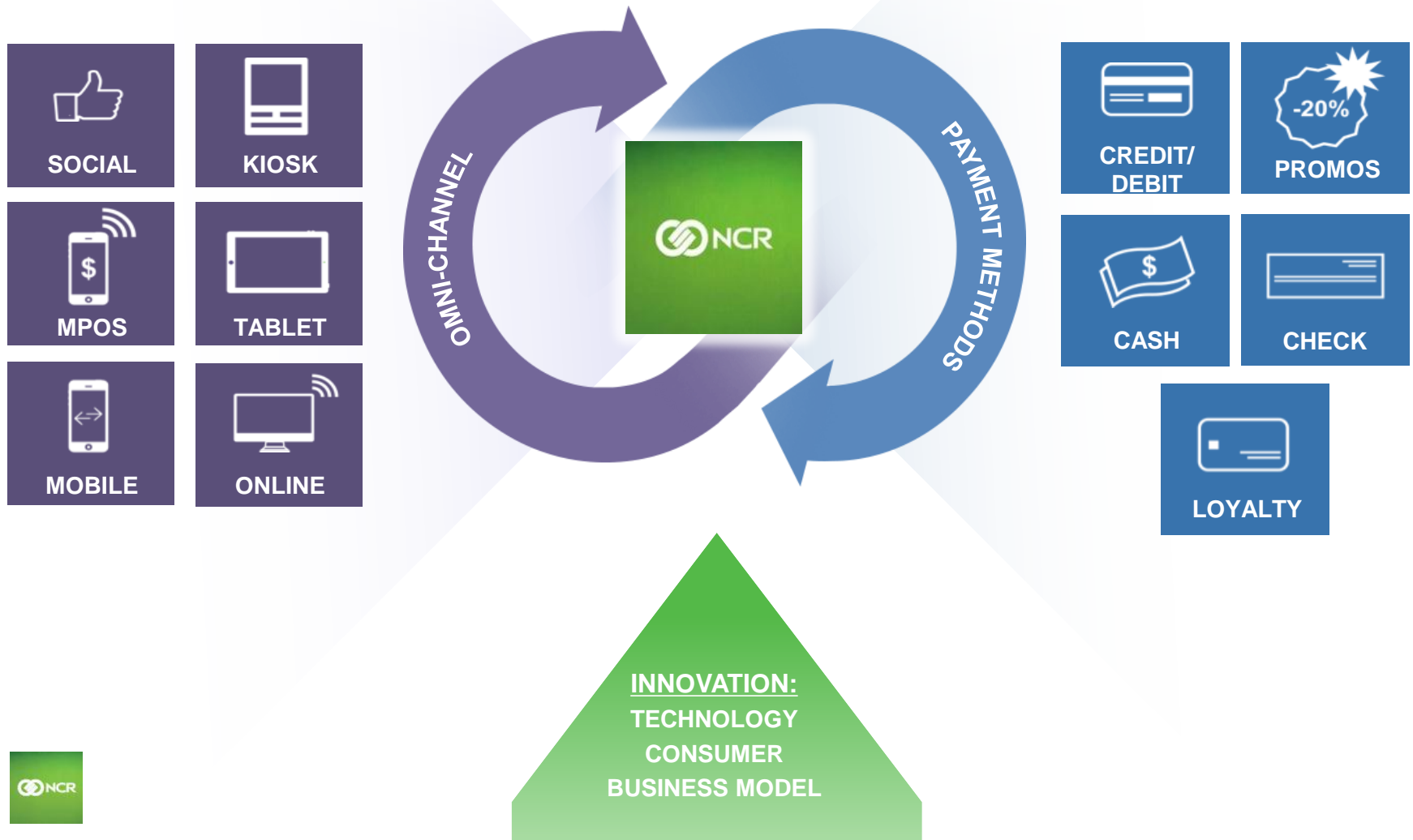
SOFTWARE-RELATED REVENUE POSITIVELY IMPACTING MARGINS



UNIQUELY POSITIONED IN OMNI-COMMERCE LANDSCAPE

At the intersection of the world's transactions

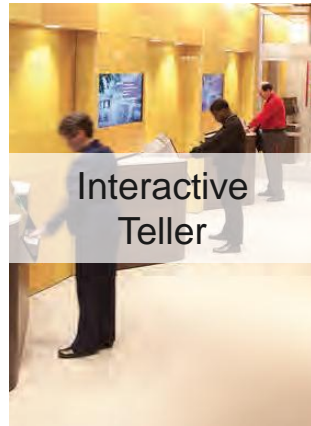
We connect channel and payment options to provide convenience for consumers



TRANSFORMING THE CONSUMER EXPERIENCE

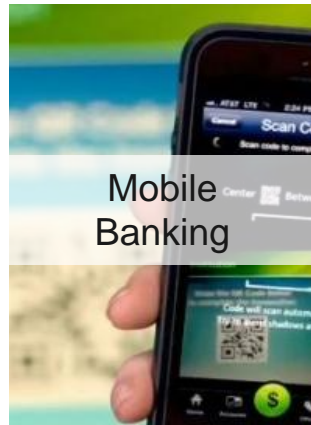
Financial Services

Transforming brick & mortar experiences



Interactive Teller

Shaping digital experiences



Mobile Banking

Retail

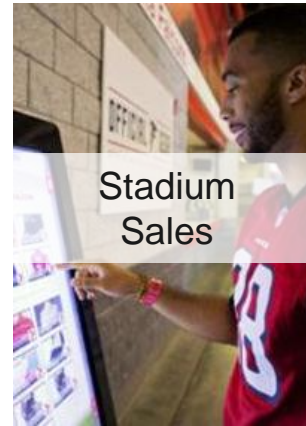


Clientelling & Loyalty



Digital Wallet at Pump

Hospitality



Stadium Sales

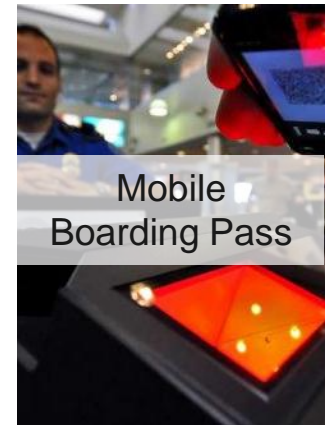


Mobile Order & Pay

Travel



Wayfinding



Mobile Boarding Pass

485 million transactions a day, around the world

EXPANSIVE SOFTWARE SOLUTIONS PORTFOLIO

Delivering Strategic Value to NCR Customers

Financial Services

- Mobile & Online Banking
- Branch Transformation
- Cash Management
- Multi-Channel Marketing
- Payment Switching & Fraud Detection
- Image & Payment Processing
- High Availability Software

#1 ATM multi-vendor SW⁽¹⁾

(1) RBR's Multivendor Software 2013 report

Retail Solutions

- Loyalty
- Connected Payments
- Customer Relationship Management (CRM)
- Digital Wallet
- Sales Channels & Touch Points
- Electronic & Mobile Payment
- Merchandising
- Inventory
- Supply Chain Management

#1 Vendor under consideration for future software purchases⁽²⁾

(2) IHL/RIS Study, January 2014

Hospitality

Consumer Engagement

- Loyalty & Gift Card
- Mobile/Online Ordering & Payment
- Mobile Ticketing

Operations & Management Efficiency

- Mobile Analytics
- Kitchen Production
- Labor & Inventory Management

#1 US Restaurant POS SW⁽³⁾

(3) Chain Store Guide, March 2014

Emerging Industries

Travel

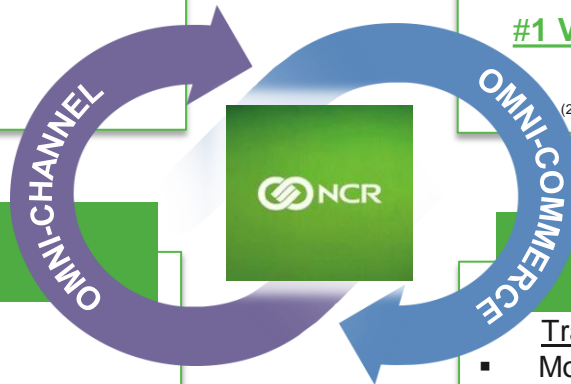
- Mobile Boarding Passes
- Security Check-in
- Digital Signage
- Cash Management
- Way Finding
- Digital Marketing
- Passenger Re-accommodation
- Merchandising & Retailing

T&T

- Bill Pay
- Virtual Storefront
- Digital Signage
- Loyalty
- Queue Mgmt

Global Leading Provider of Mobile Boarding Passes⁽⁴⁾

(4) Source: NCR Internal



The majority of SW solutions can be sold independent of HW

FINANCIAL SERVICES

Q1 2014 Update



Financial Highlights

Revenue

\$794M ↑ +11% y/y

Operating Income

\$103M ↑ +81% y/y

Operating Margin

13.0% ↑ +500 bps

Performance Highlights

- Strong orders driven by North America, small & mid-sized banks, Branch Transformation & SW
- Strong backlog, both in volume and mix
- Increased operating margin driven by favorable revenue mix & higher mix of SW-related revenue
- Excluding Digital Insight, Q1 core revenue up 1% y/y and operating margin up 310 bps
- SW-related revenue up 92%; up 17% excluding Digital Insight

Key Developments

- Balanced performance globally; Keeping an eye on Russia
- North America small to mid-sized banks segment strong in the quarter
- Continued momentum in Branch Transformation
 - Branch Transformation revenues up 300% y/y
 - 17 new APTRA™ Interactive Services customers; customer wins globally
- Strong start for Digital Insight
 - Executing integration plan
 - Strong existing customer base win rates and mobile active user growth
 - Early cross-sell wins

UPDATE: DIGITAL INSIGHT ACQUISITION



Creates one of the most powerful FinTech companies with the most comprehensive suite of retail banking solutions

KEY ACQUISITION OBJECTIVE

- Uniquely **positions NCR software** within the FinTech industry with an end-to-end technology platform for seamless banking services across both physical and digital channels
- Demonstrates commitment to be the **global leader in omni-channel retail banking transformation** enabling effortless transactions across multiple touch points
- Positions NCR for long-term growth, greater recurring revenue, accelerated margin expansion and earnings appreciation
- Expect to be slightly accretive to non-GAAP diluted EPS for FY2014 and ~\$0.15 accretive for FY2015

PROGRESS UPDATE

- Closed transaction on Jan. 10; integration started immediately
- Q1 revenue of \$76M and operating income of \$23M, in-line with expectations
- Positive feedback from existing Digital Insight customers on the power of NCR's omni-channel banking solutions
- Investments made to transition to NCR-run data centers
- Win rates in existing customer base up ~49% with leading indicators pointing to continued improvement over prior year
- 83% y/y increase in mobile active user rates
 - 5.5M total mobile users vs. 3.0M last year

RETAIL SOLUTIONS

Q1 2014 Update



Financial Highlights

Revenue

\$490M Flat y/y

Operating Income

\$36M ↓ -12% y/y

Operating Margin

7.3% ↓ -110 bps

Performance Highlights

- Orders down mid-single digit y/y driven by North America; Strong orders in rest of world
- Backlog up significantly; Rollout of large orders pushing revenue to end of year & 2015
- Q1 revenue growth as expected due to difficult comparison versus prior year
- Operating income decline due to unfavorable mix of revenue & continued investment in business
- SW up significantly; SW-related revenue up 27%; SaaS revenue up 30%

Key Developments

- Strong revenue and order growth in the Europe, Middle East and Africa region
- Retailix continues to perform well; experiencing strong demand for R10
- NCR at the top in new leadership rankings:
 - #1 point-of-sale (POS) software vendor*
 - Leader in traditional North America ePOS & self-checkout (SCO) terminal providers **
 - Leader in NAMER POS share gains**
- Strong order growth in SCO
- Market developments
 - Capital spending priorities changing due to change in focus to data privacy and security
 - Consolidation within U.S grocery segment
- Introduced new innovative SaaS solutions: NCR Cloud Connect & NCR Command Center



* Source: 11th Annual IHL/RIS News Store System Study - Stores Reinvented 2014

** 2014 IHL NAMER POS Terminal Report.

HOSPITALITY

Q1 2014 Update



Financial Highlights

Revenue

\$149M ↑ +14% y/y

Operating Income

\$12M ↓ -43% y/y

Operating Margin

8.1% ↓ -790 bps

Performance Highlights

- Revenue growth across all theaters
- Operating income decline due to unfavorable revenue mix & investment in international expansion
- SW-related revenue up 2%
- SaaS revenue up 11%
- SaaS application sites up 20% y/y

Key Developments

- Geographic expansion gaining further traction
 - Strong revenue growth in Europe and the Asia, Middle East, and Africa regions
 - New international customers, primarily in Brazil and Germany
- Continued focus on North America SMB market
 - 22% revenue growth y/y
- Continued investment in software development and capabilities
 - Fast adoption of software, SaaS and mobile solutions
 - Recognized by Technology Association of GA as one of the Top 10 most innovative companies for our mobile payment solution

EMERGING INDUSTRIES

Q1 2014 Update



Financial Highlights

Revenue

\$85M ↑ +12% y/y

Operating Income

\$4M ↓ -60% y/y

Operating Margin

4.7% ↓ -850 bps

Performance Highlights

- Telecom & Technology revenue up 18%
- Travel revenue down 9%
- Software-related revenue down 11%
- Operating income negatively impacted by on-boarding costs associated with managed services contracts

Key Developments

Telecom & Technology

- Expanded service offerings by providing on-site maintenance and support for Unify customers

Travel

- Continued focus on airport and airline innovation in emerging countries
 - Shenzhen Baoan International Airport (China), Muscat International and Salalah airports (Oman), China Eastern airlines, China Southern airlines
- Entered pilot programs for Travel Retail Solutions - omni-channel retailing within airports
- Delivered a record 15M mobile airline boarding passes, up 90% y/y

Small Business

- Increased adoption of NCR Silver customer base (over 7,000) and devices (over 15,000)

Q1 2014 SUMMARY

- 8% revenue growth led by Financial Services, Hospitality and Emerging Industries; Retail Solutions' revenue growth as expected due to difficult comparison versus prior year
- Branch transformation, mobile, SCO and omni-channel driving demand
- Recurring revenue growth % improved, including contribution from Digital Insight
- Strong growth in Software/SaaS drove improved overall margin expansion
- Digital Insight acquisition closed; Q1 results solid and integration on track
- Ongoing investments in R&D, Services and Line of Business capabilities
- Cash Flow from Operations up Y/Y; Free Cash Flow as expected; on track
- Full-year revenue guidance lowered; maintain full-year NPOI and EPS guidance

Delivering sustainable profitable growth in rapidly expanding markets

FINANCIAL PERFORMANCE & GUIDANCE

April 29, 2014



Q1 OPERATIONAL RESULTS

	For the Three-Month Period Ending March 31		
	2014	2013	% Change
Revenue	\$1,518	\$1,410	8% ⁽¹⁾ / 10% ⁽²⁾
Operational Gross Margin	434	387	12%
Operational Gross Margin Rate	28.6%	27.4%	
Expenses (non-GAAP)	279	258	8%
% of Revenue	18.4%	18.3%	
NPOI	155	129 ⁽³⁾	20%
% of Revenue	10.2%	9.1%	
Non-GAAP Diluted EPS⁽⁴⁾	\$0.50	\$0.54	(7)%

(1) As reported.

(2) On a constant currency basis.

(3) Includes \$13M curtailment benefit related to Q1 2013 amendment to U.S. separation plan.

(4) Decrease primarily related to higher interest expense in Q1 2014 compared to Q1 2013.

\$ millions, except per share amounts

Q1 GAAP RESULTS

	For the Three-Month Period Ending March 31		
	2014	2013	% Change
Revenue	\$1,518	\$1,410	8%
Gross Margin	416	369	13%
Gross Margin Rate	27.4%	26.2%	
Expenses	308	284	8%
% of Revenue	20.3%	20.1%	
Income from Operations	108	85 ⁽¹⁾	27%
% of Revenue	7.1%	6.0%	
GAAP Diluted EPS⁽²⁾	\$0.31	\$0.37	(16%)

(1) Includes \$13M curtailment benefit related to Q1 2013 amendment to U.S. separation plan.

(2) Decrease primarily related to higher interest expense in Q1 2014 compared to Q1 2013.

\$ millions, except per share amounts

Q1 REVENUE BY SEGMENT

	For the Three-Month Period Ending March 31		% Change	% Change (Constant Currency)
	2014	2013		
Financial Services Excluding Digital Insight*	\$ 794 718	\$ 714	11% 1%	14% 4%
Retail Solutions	490	489	-	1%
Hospitality	149	131	14%	15%
Emerging Industries	85	76	12%	12%
Total Revenue Excluding Digital Insight*	\$ 1,518 1,442	\$ 1,410	8% 2%	10% 4%

* Digital Insight acquisition closed on Jan. 10, 2014.

\$ millions

Q1 OPERATING INCOME BY SEGMENT

	For the Three-Month Period Ended March 31	
	2014	2013
Financial Services	\$ 103	\$ 57
% of Financial Services Revenue	13.0%	8.0%
Retail Solutions	36	41
% of Retail Solutions Revenue	7.3%	8.4%
Hospitality	12	21
% of Hospitality Revenue	8.1%	16.0%
Emerging Industries	4	10
% of Emerging Industries Revenue	4.7%	13.2%
NPOI	\$ 155	\$ 129
% of Total Revenue	10.2%	9.1%

\$ millions

Q1 SUPPLEMENTAL REVENUE INFORMATION

	For the Three-Month Period Ending March 31		
	2014	2013	% Change
SaaS	\$113	\$33	242%
Software License/Software Maintenance	147	136	8%
Professional Services	135	104	30%
Total Software-Related Revenue	395	273	45%
Hardware	570	600	(5)%
Other Services	553	537	3%
Total Revenue	\$1,518	\$1,410	8%

\$ millions

FREE CASH FLOW

	Q1 2014	Q1 2013	FY 2014e	FY 2013
Cash Provided by Operating Activities	\$31	\$21	\$595 - \$625	\$281
Net capital expenditures	(66)	(45)	(250) – (260)	(226)
Cash Provided by (Used In) Discontinued Operations	(16)	1	(45) – (55)	(52)
Pension discretionary contributions and settlements	-	-	20	204
Free Cash Flow (Used)	\$(51)	\$(23)	\$300 - \$350	\$207

\$ in millions

FREE CASH FLOW GENERATION

		2014e	2013
Free Cash Flow (FCF)		~\$300 - \$350	\$207
plus:	Pension	70	79
plus:	Discontinued Ops	45-55	52
plus:	Acquisition-related costs	25-35	43
Adjusted FCF		~\$440 - \$510	\$381
Adjusted FCF as a % of non-GAAP net income		~90%	80%

\$ millions, except metrics

NET DEBT & EBITDA METRICS

	2013	Q1 2014	2014e
Debt	\$3.4	\$3.9	
Cash	0.5	0.5	
Net Debt	\$2.9	\$3.4	\$3.3
Adjusted EBITDA	\$0.9	\$0.9 ⁽¹⁾	\$1.1
Net Debt / Adjusted EBITDA	3.2	3.7	~3.0

(1) Adjusted EBITDA for the trailing twelve-month period.

\$ in billions, except metrics

FY 2014 GUIDANCE

	2014e	2013
Revenue	\$6,750 - \$6,850 ⁽¹⁾	\$6,123
Year-over-Year Revenue Growth	10% - 12% growth ⁽¹⁾	7%
Income from Operations (GAAP)⁽²⁾	\$730 - \$750	\$666
Non-Pension Operating Income (NPOI)	\$900 - \$920	\$717
Adjusted EBITDA	\$1,085 – \$1,105	\$886
Diluted EPS (GAAP)⁽²⁾	\$2.36 - \$2.46	\$2.67
Non-GAAP Diluted EPS⁽³⁾	\$3.00 - \$3.10	\$2.81
Free Cash Flow	\$300 - \$350	\$207

(1) Includes 1% of unfavorable foreign currency fluctuations; previous revenue guidance was 12% - 14% growth.

(2) Income from operations and diluted earnings per share guidance excludes the impact of the actuarial mark to market pension adjustment that will be determined in the fourth quarter of 2014.

(3) 2014 guidance includes expected other expense (income), net (OIE) of \$200M, which incorporates \$185M of interest expense, a 26% tax rate and a share count of 172M. 2013 results include OIE of \$112M, which incorporates \$103M of interest expense, a 22% tax rate and a share count of 169M.

\$ in millions, except per share amounts

2014 SEGMENT REVENUE GUIDANCE

Line of Business	Current 2014 Guidance	Previous 2014 Guidance	FY 2013
Financial Services	15-17%	15-17%	\$3,115
Financial Services excluding Digital Insight	4-5%	4-5%	
Retail	3-5%	8-10%	\$2,034
Hospitality	8-10%	12-15%	\$626
Emerging Industries	10-14%	10-14%	\$348
Total	10-12%	12-14%	\$6,123

\$ in millions

Q2 2014 GUIDANCE

	Q2 2014e	Q2 2013
Income from Operations (GAAP)	\$163 - \$173	\$139
Non-Pension Operating Income (Non-GAAP)	\$205 – \$215	\$182
Tax rate	29%	25%
Other expense	~ \$50	\$29

\$ millions

2014 Goals

Continue steady execution, commitment to innovation, and deliver differentiation and value to customers

Execute against megatrends informing our businesses

Position lines of business to grow faster than overall markets

Further expand software/SaaS and services contribution and improve margin profile

Improve Free Cash Flow generation and working capital

Use strong, growing NPOI to de-lever the balance sheet

Implement next stage of cost reduction initiatives and complete final stages of pension strategy

SUPPLEMENTARY NON-GAAP MATERIALS

NON-GAAP MEASURES

While NCR reports its results in accordance with generally accepted accounting principles (GAAP) in the United States, comments made during this conference call and in these materials will include non-GAAP measures. These measures are included to provide additional useful information regarding NCR's financial results, and are not a substitute for their comparable GAAP measures.

NPOI, Non-GAAP Diluted EPS, Operational Gross Margin, Operational Gross Margin Rate, Expenses (non-GAAP), Effective Tax Rate and Non-GAAP Net Income. NCR's non-pension operating income (NPOI), non-GAAP net income and non-GAAP diluted earnings per share (non-GAAP diluted EPS) are determined by excluding pension expense and special items, including amortization of acquisition related intangibles, from NCR's GAAP income (loss) from operations. NCR also determines operational gross margin, operational gross margin rate, expenses (non-GAAP) and effective tax rate (non-GAAP) by excluding pension expense and these special items from its GAAP gross margin, gross margin rate, expenses and effective tax rate. Due to the significant change in its pension expense from year to year and the non-operational nature of pension expense and these special items, NCR's management uses these non-GAAP measures to evaluate year-over-year operating performance. NCR also uses NPOI and non-GAAP diluted EPS to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. NCR believes these measures are useful for investors because they provide a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with NCR's past reports of financial results.

Free Cash Flow and Adjusted Free Cash Flow. NCR defines free cash flow as net cash provided by/used in operating activities and cash flow provided by/used in discontinued operations less capital expenditures for property, plant and equipment, additions to capitalized software, discretionary pension contributions and settlements. NCR defines adjusted free cash flow as free cash flow plus required pension contributions, cash provided by/used in discontinued operations, and cash flow impact of special items. NCR's management uses free cash flow and adjusted free cash flow to assess the financial performance of the Company and believes they are useful for investors because they relate the operating cash flow of the Company to the capital that is spent to continue and improve business operations. In particular, free cash flow and adjusted free cash flow indicate the amount of cash generated after capital expenditures which can be used for, among other things, investment in the Company's existing businesses, strategic acquisitions, strengthening the Company's balance sheet, repurchase of Company stock and repayment of the Company's debt obligations. Free cash flow and adjusted free cash flow do not represent the residual cash flow available for discretionary expenditures since there may be other nondiscretionary expenditures that are not deducted from the measures. Free cash flow (FCF) and adjusted free cash flow (adjusted FCF) do not have uniform definitions under GAAP and, therefore, NCR's definitions may differ from other companies' definitions of these measures.

NON-GAAP MEASURES

Adjusted EBITDA. NCR believes that Adjusted EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) provides useful information to investors because it is an indicator of the strength and performance of the Company's ongoing business operations, including its ability to fund discretionary spending such as capital expenditures, strategic acquisitions and other investments. NCR determines Adjusted EBITDA for a given period based on its GAAP income (loss) from continuing operations plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus other income (expense); plus pension expense (benefit); and plus special items included in the definition of NPOI. NCR believes that its ratio of net debt to Adjusted EBITDA provides useful information to investors because it is an indicator of the company's ability to meet its future financial obligations.

Revenue Growth on a Constant Currency Basis. NCR's period-over-period revenue growth on a constant currency basis excludes the effects of foreign currency translation. Due to the variability of foreign exchange rates from period to period, NCR's management uses revenue growth on a constant currency basis to evaluate period-over-period operating performance. Revenue growth on a constant currency basis is calculated by translating prior period revenue at current period monthly average exchange rates.

NCR management's definitions and calculations of these non-GAAP measures may differ from similarly-titled measures reported by other companies and cannot, therefore, be compared with similarly-titled measures of other companies. These non-GAAP measures should not be considered as substitutes for, or superior to, results determined in accordance with GAAP. These non-GAAP measures are reconciled to their corresponding GAAP measures in the following slides. These reconciliations and other information regarding these non-GAAP measures are also available on the Investor Relations page of NCR's website at www.ncr.com.

GAAP TO NON-GAAP RECONCILIATION

Income from Operations (GAAP) to Non-Pension Operating Income (non-GAAP) and Adjusted EBITDA (non-GAAP)

	<u>Q1 2014</u> <u>LTM</u>	<u>FY 2013</u>	<u>FY 2014e</u>	<u>Q2 2014e</u>
Income from Operations (GAAP)	\$689	\$666	\$730 - \$750	\$163 – \$173
Pension Expense (Benefit)	(86)	(78)	8	3
Acquisition-Related Amortization of Intangibles	81	65	121	30
Acquisition-Related Costs	44	46	33	7
Acquisition-Related Purchase Price Adjustment	12	15	6	1
OFAC and FCPA Investigations ⁽¹⁾	3	3	2	1
Non-Pension Operating Income (non-GAAP)	\$743	\$717	\$900 - \$920	\$205 – \$215
Depreciation and Amortization	149	143	155	
Ongoing Pension Expense	(12)	(15)	(10)	
Stock Compensation Expense	41	41	40	
Adjusted EBITDA (non-GAAP)	\$921	\$886	\$1,085 - \$1,105	

(1) Estimated expenses for 2014 will be affected by, among other things, the status and progress of these matters. There can be no assurance that the Company will not be subject to fines or other remedial measures as a result of OFAC's, the SEC's or the DOJ's investigations.

\$ in millions

GAAP TO NON-GAAP RECONCILIATION

Q1 2014 QTD

in millions (except per share amounts)

	Q1 2014 GAAP	Acquisition- related amortization of intangibles	Acquisition- related costs	Acquisition- related purchase price adjustments	OFAC and FCPA Investigations	Pension (expense) benefit	Q1 2014 non-GAAP
Product revenue	\$634	-	-	-	-	-	\$634
Service revenue	884	-	-	-	-	-	884
Total revenue	1,518	-	-	-	-	-	1,518
Cost of products	476	(10)	-	(2)	-	-	464
Cost of services	626	(6)	-	(1)	-	1	620
Gross margin	416	16	-	3	-	(1)	434
Gross margin rate	27.4%	1.1%	0.0%	0.2%	0.0%	-0.1%	28.6%
Selling, general and administrative expenses	245	(14)	(14)	-	(1)	-	216
Research and development expenses	63	-	-	-	-	-	63
Total expenses	308	(14)	(14)	-	(1)	-	279
<i>Total expense as a % of revenue</i>	20.3%	-0.9%	-0.9%	0.0%	-0.1%	0.0%	18.4%
Income (loss) from operations	108	30	14	3	1	(1)	155
<i>Income (loss) from operations as a % of revenue</i>	7.1%	2.0%	0.9%	0.2%	0.1%	-0.1%	10.2%
Interest and Other (expense) income, net	(50)	-	-	-	-	-	(50)
Income (loss) from continuing operations before income taxes	58	30	14	3	1	(1)	105
Income tax expense (benefit)	4	10	4	1	-	(1)	18
<i>Effective tax rate</i>	7%	33%	29%	33%	0%	100%	17%
Income (loss) from continuing operations	54	20	10	2	1	-	87
Net income (loss) attributable to noncontrolling interests	1	-	-	-	-	-	1
Income (loss) from continuing operations (attributable to NCR)	\$53	\$20	\$10	\$2	\$1	\$-	\$86
Diluted earnings per share	\$0.31	\$0.11	\$0.06	\$0.01	\$0.01	\$-	\$0.50

GAAP TO NON-GAAP RECONCILIATION

Q1 2013 QTD

in millions (except per share amounts)

	Q1 2013 GAAP	Acquisition-related amortization of intangibles	Acquisition-related costs	Acquisition-related purchase price adjustments	OFAC and FCPA Investigations	Pension (expense) benefit	Q1 2013 non-GAAP
Product revenue	\$667	-	-	-	-	-	\$667
Service revenue	743	-	-	-	-	-	743
Total revenue	1,410	-	-	-	-	-	1,410
Cost of products	503	(8)	-	-	-	-	495
Cost of services	538	-	-	(6)	-	(4)	528
Gross margin	369	8	-	6	-	4	387
Gross margin rate	26.2%	0.6%	0.0%	0.4%	0.0%	0.2%	27.4%
Selling, general and administrative expenses	229	(6)	(16)	-	(1)	(2)	204
Research and development expenses	55	-	-	-	-	(1)	54
Total expenses	284	(6)	(16)	-	(1)	(3)	258
<i>Total expense as a % of revenue</i>	<i>20.1%</i>	<i>-0.4%</i>	<i>-1.1%</i>	<i>0.0%</i>	<i>-0.1%</i>	<i>-0.2%</i>	<i>18.3%</i>
Income (loss) from operations	85	14	16	6	1	7	129
<i>Income (loss) from operations as a % of revenue</i>	<i>6.0%</i>	<i>1.0%</i>	<i>1.1%</i>	<i>0.4%</i>	<i>0.1%</i>	<i>0.5%</i>	<i>9.1%</i>
Interest and Other (expense) income, net	(19)	-	-	-	-	-	(19)
Income (loss) from continuing operations before income taxes	66	14	16	6	1	7	110
Income tax expense (benefit)	2	5	6	2	-	3	18
<i>Effective tax rate</i>	<i>3%</i>	<i>36%</i>	<i>38%</i>	<i>33%</i>	<i>0%</i>	<i>43%</i>	<i>16%</i>
Income (loss) from continuing operations	64	9	10	4	1	4	92
Net income (loss) attributable to noncontrolling interests	2	-	-	-	-	-	2
Income (loss) from continuing operations (attributable to NCR)	\$62	\$9	\$10	\$4	\$1	\$4	\$90
Diluted earnings per share	\$0.37	\$0.06	\$0.06	\$0.02	\$0.01	\$0.02	\$0.54

GAAP TO NON-GAAP RECONCILIATION

Q2 2013 QTD

in millions (except per share amounts)

	Q2 2013 GAAP	Acquisition-related amortization of intangibles	Acquisition-related costs	Acquisition-related purchase price adjustments	OFAC and FCPA Investigations	Pension (expense) benefit	Q2 2013 non-GAAP
Product revenue	\$743	-	-	-	-	-	\$743
Service revenue	792	-	-	-	-	-	792
Total revenue	1,535	-	-	-	-	-	1,535
Cost of products	550	(9)	-	-	-	-	541
Cost of services	559	-	-	(3)	-	(5)	551
Gross margin	426	9	-	3	-	5	443
Gross margin rate	27.8%	0.6%	0.0%	0.2%	0.0%	0.3%	28.9%
Selling, general and administrative expenses	232	(8)	(14)	-	-	(3)	207
Research and development expenses	55	-	-	-	-	(1)	54
Total expenses	287	(8)	(14)	-	-	(4)	261
<i>Total expense as a % of revenue</i>	18.7%	-0.5%	-0.9%	0.0%	0.0%	-0.3%	17.0%
Income (loss) from operations	139	17	14	3	-	9	182
<i>Income (loss) from operations as a % of revenue</i>	9.1%	1.1%	0.9%	0.2%	0.0%	0.6%	11.9%
Interest and Other (expense) income, net	(29)	-	-	-	-	-	(29)
Income (loss) from continuing operations before income taxes	110	17	14	3	-	9	153
Income tax expense (benefit)	23	6	4	1	-	4	38
<i>Effective tax rate</i>	21%	35%	29%	33%	0%	44%	25%
Income (loss) from continuing operations	87	11	10	2	-	5	115
Net income (loss) attributable to noncontrolling interests	1	-	-	-	-	-	1
Income (loss) from continuing operations (attributable to NCR)	\$86	\$11	\$10	\$2	\$-	\$5	\$114
Diluted earnings per share	\$0.51	\$0.07	\$0.06	\$0.01	\$-	\$0.03	\$0.68

GAAP TO NON-GAAP RECONCILIATION

Q4 2013 YTD

in millions (except per share amounts)

	FY 2013 GAAP	Acquisition- related amortization of intangibles	Acquisition- related costs	Acquisition- related purchase price adjustments	OFAC and FCPA Investigations	Japan valuation reserve release	Pension (expense) benefit	FY 2013 non-GAAP
Product revenue	\$2,912	-	-	-	-	-	-	\$2,912
Service revenue	3,211	-	-	-	-	-	-	3,211
Total revenue	6,123	-	-	-	-	-	-	6,123
Cost of products	2,152	(36)	-	(1)	-	-	2	2,117
Cost of services	2,231	-	-	(14)	-	-	44	2,261
Gross margin	1,740	36	-	15	-	-	(46)	1,745
Gross margin rate	28.4%	0.6%	0.0%	0.2%	0.0%	0.0%	-0.7%	28.5%
Selling, general and administrative expenses	871	(29)	(46)	-	(3)	-	22	815
Research and development expenses	203	-	-	-	-	-	10	213
Total expenses	1,074	(29)	(46)	-	(3)	-	32	1,028
<i>Total expense as a % of revenue</i>	<i>17.5%</i>	<i>-0.5%</i>	<i>-0.7%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.5%</i>	<i>16.8%</i>
Income (loss) from operations	666	65	46	15	3	-	(78)	717
<i>Income (loss) from operations as a % of revenue</i>	<i>10.9%</i>	<i>1.1%</i>	<i>0.8%</i>	<i>0.2%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>-1.3%</i>	<i>11.7%</i>
Interest and Other (expense) income, net	(112)	-	6	-	-	-	-	(106)
Income (loss) from continuing operations before income taxes	554	65	52	15	3	-	(78)	611
Income tax expense (benefit)	98	17	16	5	1	15	(20)	132
<i>Effective tax rate</i>	<i>18%</i>	<i>26%</i>	<i>31%</i>	<i>33%</i>	<i>33%</i>	<i>N/A</i>	<i>26%</i>	<i>22%</i>
Income (loss) from continuing operations	456	48	36	10	2	(15)	(58)	479
Net income (loss) attributable to noncontrolling interests	4	-	-	-	-	-	-	4
Income (loss) from continuing operations (attributable to NCR)	\$452	\$48	\$36	\$10	\$2	\$(15)	\$(58)	\$475
Diluted earnings per share	\$2.67	\$0.29	\$0.21	\$0.06	\$0.01	\$(0.09)	\$(0.34)	\$2.81

GAAP TO NON-GAAP RECONCILIATION

Diluted Earnings per Share (GAAP) to Non-GAAP Diluted Earnings per Share (non-GAAP)

FY 2014e

Diluted EPS (GAAP)	\$2.36 - \$2.46
Pension Expense (Benefit)	0.03
Acquisition-Related Amortization of Intangibles	0.47
Acquisition-Related Costs	0.11
Acquisition-Related Purchase Price Adjustment	0.02
OFAC and FCPA Investigations ⁽¹⁾	0.01
Non-GAAP Diluted EPS	\$3.00 – \$3.10

(1) Estimated expenses for 2014 will be affected by, among other things, the status and progress of these matters. There can be no assurance that the Company will not be subject to fines or other remedial measures as a result of OFAC's, the SEC's or the DOJ's investigations.

GAAP TO NON-GAAP RECONCILIATIONS

Gross Margin as a % of Revenue (GAAP) to Operational Gross Margin Rate (non-GAAP)

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Gross Margin as a % of Revenue (GAAP)	22.0%	22.9%	18.0%	28.7%	28.4%
Pension expense (benefit)	(0.5)%	0.6%	6.8%	(2.2)%	(0.7)%
Impairment of assets related to an equity investment	0.5%	-	-	-	-
Acquisition-related purchase price adjustments	-	-	-	-	0.2%
Acquisition-related amortization of intangibles	-	-	0.1%	0.3%	0.6%
Operational Gross Margin Rate (non-GAAP)	22.0%	23.5%	24.9%	26.8%	28.5%

GAAP TO NON-GAAP RECONCILIATIONS

Revenue Growth % (GAAP) to Revenue Growth % on a Constant Currency Basis (non-GAAP)

Q1 2014

Revenue Growth % (GAAP)	8%
Unfavorable foreign currency fluctuation impact	2%
Revenue Growth % on a Constant Currency Basis (non-GAAP)	10%

