

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15 (d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT: JANUARY 21, 1997

NCR CORPORATION  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MARYLAND	001-00395	31-0387920
(STATE OR OTHER JURISDICTION OF INCORPORATION)	(COMMISSION FILE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

1700 S. PATTERSON BLVD., DAYTON, OH 45479  
(937) 445-5000  
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING  
AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

Item 5. Other Events

The Registrant's news release dated January 21, 1997, with respect to its financial results for the quarter and year ended December 31, 1996, including a consolidated balance sheet as of December 31, 1996, a consolidated statement of cash flows for the year ended December 31, 1996, and consolidated statements of operations, consolidated revenue summary, and supplemental consolidated statements of operating income (excluding restructuring and other charges) for the quarter and year ended December 31, 1996 is attached and incorporated herein by reference.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NCR Corporation

Date: February 6, 1997

By: /s/ John L. Giering  
John L. Giering,  
Senior Vice President and  
Chief Financial Officer

NCR CORPORATION  
INVESTOR RELATIONS DEPARTMENT  
Tel: 937-445-5905  
Fax: 937-445-5541

HTTP://WWW.NCR.COM

NEWS RELEASE

NCR REPORTS FOURTH-QUARTER AND FULL-YEAR 1996 FINANCIAL RESULTS

DAYTON, OHIO, JANUARY 21, 1997 -- NCR Corporation reported fourth-quarter net income of \$7 million, or \$.07 per share, compared to a net loss of \$305 million, or \$3.01 per share, in the comparable period last year.

In the fourth quarter, NCR completed a review of its remaining business restructuring reserves. This review resulted in a favorable adjustment of \$55 million to operating income. A concurrent review of the tax benefit of restructuring reserves recorded in the third quarter of 1995 resulted in a one-time unfavorable adjustment to the fourth-quarter 1996 provision for income taxes of \$82 million. The net effect of restructuring-related adjustments in the fourth quarter of 1996 reduced net income by \$27 million or \$0.27 per share.

3

Revenue in the quarter was \$2.04 billion, a decline of 10 percent from the \$2.27 billion reported in the year ago period. The decline in revenue was primarily due to the company's decision to discontinue the sale of PCs and entry-level servers through high-volume indirect channels.

"Traditional quarterly comparisons, which include results from businesses discontinued as part of our restructuring, tend to mask the solid operational achievements we made during the year in turning the business around," said NCR Chairman & CEO Lars Nyberg. "This marks the third consecutive quarter that we have generated an operating profit. The performance of the businesses that are the foundation for the new NCR indicates the scope of our turnaround, which may be the fastest ever for a company of our size and complexity."

Total orders in the fourth quarter were above the comparable period last year. However, for its "core operations," which exclude PCs and entry-level servers, NCR posted very good gains over the comparable period last year. Orders for computer products showed substantial gains while financial products, retail products and professional services all posted growth in the quarter. For core operations geographically, fourth quarter order increases were led by substantial gains in the Asia/Pacific region and by very good gains in the Americas region.

Revenue in the quarter from core operations increased three percent over the comparable period a year ago and five percent on a local currency basis. On a product line basis, revenue for computer products increased 25 percent in the quarter and revenue for financial products increased 12 percent over year ago levels. For core operations on a geographic basis, the Americas region had a revenue gain of nine percent over the prior year quarter, driven primarily by financial and computer products. Revenue in the Europe/Middle East/Africa region was down one percent compared with last year's fourth quarter. The Asia/Pacific region reported a decline in revenue of three percent for the quarter principally due to the strengthening of the U. S. dollar against the Japanese yen.

Gross margins increased 7.2 percentage points in the quarter to 30.1 percent. This year-to-year increase was favorably impacted by a provision for restructuring in the fourth quarter of 1995 and the release of restructuring reserves in the fourth quarter of 1996. Excluding these restructuring amounts from both periods, gross margins in the fourth quarter of 1996 reached 29.6 percent, an increase of 5.6 percentage points of revenue over the comparable period last year.

Operating expenses in the fourth quarter were \$488 million compared to \$706 million in the year ago period, a decrease of \$218 million. When the impact of restructuring is excluded from both periods, expenses declined by \$149 million, a decrease of 22 percent, or 3.9 percentage points of revenue from the prior year period.

NCR reported operating income of \$127 million in the fourth quarter compared to an operating loss of \$187 million in the year-ago period. Excluding the impact of restructuring,

operating income was \$72 million in the 1996 fourth quarter as contrasted to a loss of \$135 million in 1995.

"Our performance in the fourth quarter helped to put us ahead of our objective for the year which was for break-even operating results on flat revenues in our core operations," said Nyberg. "The challenge for NCR is very clear now; we must achieve growth in revenue and gross margins."

#### Full-Year Financial Results

For the full year, NCR reported a net loss of \$109 million, or \$1.07 per share, compared to a loss of \$2.28 billion, or \$22.49 per share, in 1995. Revenue for the year was \$6.96 billion, a decline of 15 percent from the \$8.16 billion reported in 1995. The revenue decline was primarily due to the company's decision to discontinue the sale of PCs and entry-level servers through high-volume indirect channels and from businesses sold. Excluding these factors, revenue increased one percent on a reported basis and increased three percent on a local currency basis. Excluding restructuring and other charges;

- the gross margin percentage improved to 28.1 percent from 21.8 percent a year ago,
- expenses were down \$619 million, exceeding the company's target by three percent, and
- an operating profit of \$75 million was posted in 1996 compared to an operating loss of \$722 million in 1995.

Orders for the year were below the prior year level due to the restructuring of NCR's PC and entry-level server business. Orders for NCR's core operations, however, showed very good gains over the prior year.

NCR ended the year in a strong financial position with \$1.2 billion in cash, debt of \$76 million and shareholders' equity of \$1.4 billion. As of December 31, 1996, NCR employed 38,600 people worldwide, including contractors.

Detailed financial information regarding NCR's fourth quarter and full-year results is available on the Internet: <http://www.ncr.com>. NCR's senior vice president and Chief Financial Officer, John Giering, will discuss the company's financial performance in a taped broadcast. Access is available beginning at 12:00 noon (EST) today and will run until 8:00 P.M. (EST) tomorrow. The phone number for access to this broadcast is (402) 220-6021.

The results reported today by NCR (NYSE: NCR) were its first as an independent company following its December 31, 1996 spin-off from AT&T.

NCR Corporation's computer systems, store automation, banking systems, consulting services, and support services are used by customers in more than 130 countries.

[NCR CORPORATION LOGO]  
NCR CORPORATION  
CONSOLIDATED STATEMENTS OF OPERATIONS - PRELIMINARY  
(DOLLARS IN MILLIONS)

Quarter Ended December 31		Year Ended December 31	
1996	1995	1996	1995
-----	-----	-----	-----

Revenue	\$ 2,040	\$ 2,269	\$ 6,963	\$ 8,162
Cost of Revenue	1,425	1,750	4,997	7,316
Gross Margin	615	519	1,966	846
% of Revenue	30.1%	22.9%	28.2%	10.4%
Selling, General, and Administrative Expense	383	562	1,458	2,632
% of Revenue	18.8%	24.8%	20.9%	32.2%
Research and Development Expense	105	144	378	585
% of Revenue	5.1%	6.3%	5.4%	7.2%
Operating Income/Loss	127	(187)	130	(2,371)
% of Revenue	6.2%	-8.2%	1.9%	-29.0%
Interest Expense	16	24	56	90
Other Income/(Loss), Net	(19)	41	(36)	(45)
Income/(Loss) Before Taxes	130	(252)	110	(2,416)
% of Revenue	6.4%	-11.1%	1.6%	-29.6%
Income Tax Expense (Benefit)	123	53	219	(136)
Net Income/(Loss)	\$ 7	\$ (305)	\$ (109)	\$ (2,280)
% of Revenue	0.3%	-13.4%	-1.6%	-27.9%
Net Income/(Loss) per Common Share	\$ 0.07	\$ (3.01)	\$ (1.07)	\$ (22.49)
Weighted average common and common equivalents shares (millions)	101.4	101.4	101.4	101.4

6  
Attachment 2

[NCR CORPORATION LOGO]  
NCR CORPORATION  
CONSOLIDATED REVENUE SUMMARY - PRELIMINARY  
(DOLLARS IN MILLIONS)

	Quarter Ended December 31		Year Ended December 31	
	1996	1995	1996	1995
Retail Systems Group	\$ 128	\$ 128	\$ 428	\$ 424
Financial Systems Group	341	305	1,007	1,026
Computer Systems Group	453	363	1,398	1,078
PCs / Entry Level Servers	126	415	503	1,724
Systemedia Group	147	159	551	577
Customer Support Services	593	582	2,238	2,174
Professional Services	199	211	616	638
Data Services	30	40	123	167
Other Products	23	66	99	354
Total Revenue	\$2,040	\$2,269	\$6,963	\$8,162

[NCR CORPORATION LOGO]  
 NCR CORPORATION  
 SUPPLEMENTAL CONSOLIDATED STATEMENTS OF OPERATING INCOME - PRELIMINARY  
 EXCLUDING RESTRUCTURING AND OTHER CHARGES  
 (DOLLARS IN MILLIONS)

	Quarter Ended December 31		Year Ended December 31	
	1996	1995	1996	1995
Revenue	\$2,040	\$ 2,269	\$6,963	\$ 8,162
Cost of Revenue	1,437	1,724	5,009	6,386
Gross Margin	603	545	1,954	1,776
% of Revenue	29.6%	24.0%	28.1%	21.8%
Selling, General, and Administrative Expense	414	536	1,489	2,016
% of Revenue	20.3%	23.6%	21.4%	24.7%
Research and Development Expense	117	144	390	482
% of Revenue	5.7%	6.3%	5.6%	5.9%
Operating Income/(Loss)	72	(135)	75	(722)
% of Revenue	3.5%	-5.9%	1.1%	-8.8%

8

[NCR CORPORATION LOGO]  
 NCR CORPORATION  
 CONSOLIDATED BALANCE SHEET - PRELIMINARY  
 (DOLLARS IN MILLIONS)

	At December 31	
	1996	1995
ASSETS		
Current Assets:		
Cash and Short-term Investments	\$1,203	\$ 338
Accounts Receivable, Net	1,457	1,908
Inventories	439	621
Other Current Assets	219	451
TOTAL CURRENT ASSETS	3,318	3,318
Property, Plant and Equipment, Net	1,207	1,215
Other Assets	755	723
TOTAL ASSETS	\$5,280	\$5,256

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:

Short-term Borrowings	\$ 28	\$ 45
Accounts Payable	352	478
Taxes Payable	18	118
Other Current Liabilities	1,569	2,280
	-----	-----
TOTAL CURRENT LIABILITIES	1,967	2,921
Long-term Debt	48	330
Other Long-term Liabilities	1,869	1,647
	-----	-----
TOTAL LIABILITIES	3,884	4,898
TOTAL SHAREHOLDERS' EQUITY	1,396	358
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$5,280	\$5,256
	=====	=====

9

Attachment 5

[NCR CORPORATION LOGO]  
 NCR CORPORATION  
 CONSOLIDATED STATEMENT OF CASH FLOWS - PRELIMINARY  
 (DOLLARS IN MILLIONS)

	At December 31	
	1996	1995
	-----	-----
OPERATING ACTIVITIES		
Net Loss	\$ (109)	\$ (2,280)
Adjustments to Reconcile Net Loss to Net Cash Provided by (Used in) Operating Activities:		
Restructuring and Other Charges	(55)	1,649
Depreciation and Amortization	385	350
Other	254	(237)
Changes in Operating Assets and Liabilities:		
Receivables	451	(102)
Inventories	182	(72)
Other	(740)	(132)
	-----	-----
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	368	(824)
INVESTING ACTIVITIES		
Short-term Investments, Net	(16)	174
Expenditures for Service Parts & Property, Plant and Equipment	(423)	(498)
Other Investing Activities	44	313
	-----	-----
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(395)	(11)
FINANCING ACTIVITIES		
Short-term Borrowings, Net	(17)	(35)
Long-term Debt, Net	(282)	(303)
Transfers from AT&T, Net	1,194	1,034
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	895	696
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(19)	(10)
	-----	-----
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	849	(149)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	314	463
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,163	\$ 314
	=====	=====