Pension Strategy Update

NCR

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Note to Investors

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

Reinventing NCR

'We've had some big rocks to move'

Eliminating legacy issues…

…to focus on transformational growth

Our Pension Strategy

Phase I — **2010 - 2012**

- Reallocation of US plan assets to approximately 100% fixed income by end of 2012; *saved NCR more than $200M in additional underfunded liability*
- Work with trustee boards of international plans to shift asset allocation to fixed income: 65% achieved to date

Phase II — **2012**

- Contribute at least $500M to the US pension plan financed through capital market borrowing
- Offer a voluntary lump sum option to deferred vested participants: Impacts up to approximately 33% of the US pension liability
- Expect to improve underfunded position by an estimated $800M

Phase III — **2012 and beyond**

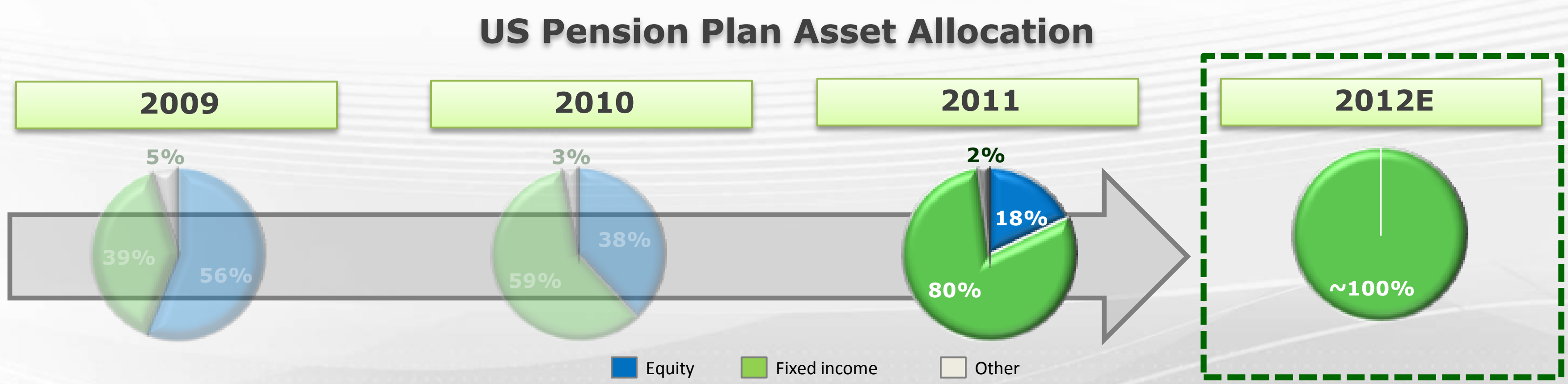
- Evaluate funding and further de-risking alternatives for the remaining US and international pension liability

Phase II: Executive Summary

- **Contribute at least $500M to the US qualified pension plan in 2012**
  - Planned contribution will be financed through capital market borrowing
  - Reduces overall enterprise risk by substantially reducing volatility and size of liability
  - Reduces US pension plan underfunding by an estimated $800M
  - Improves free cash flow by reducing annual pension contributions. ***No annual US qualified plan pension cash contributions expected through 2017***
- **Offer a voluntary lump sum payment option to deferred vested participants of the US pension plan**
  - Impacts approximately 23,000 former employees; ~33% of the US pension liability
  - Letters offering the lump sum payment option expected to be sent to former employees on August 31, 2012; Participants will have until October 31, 2012 to make a decision
  - Lump sum Payouts to accepting deferred vested participants expected to be completed by December 2012
- **Considering a change to pension accounting policy in 2013**
  - Actuarial gains and losses will be recognized in the year in which they are incurred, rather than amortized over time; Recorded annually on the income statement in fourth quarter
  - Policy change will have no impact on cash flow or pension funding requirements
  - Ongoing recurring pension expense expected to be $30M - $50M per annum

Phase I: 2010-2012

- Reduce risk and volatility by re-allocating our domestic pension portfolio to fixed-income securities by year-end 2012
  - At the end of 2011, we had allocated approx. 80% of pension assets to fixed income assets as compared to 59% at the end of 2010. By the end of 2012, we target a portfolio of approximately 100% fixed income assets
- Continuing to work with trustee boards of international pension plans to make similar changes where possible
  - Approximately 65% of international plan assets now invested in fixed income
  - Continue to shift retirement benefits from defined benefit to defined contribution
- Phase I has been very effective in reducing volatility and stabilizing underfunded position compared to previous allocation model



Follow-Through on Investor Day Communication

Pension Strategies Evaluated

- **Fund minimum, Complete asset shift (Stay the Course)**
- **Liability Management exercise to hedge interest rate risk**
- **Prefund & Immunize**
- **Prefund & Begin process to settle liabilities**

Selected Strategy	Economics: NPV Analysis	Economics: Enterprise Risk	Investor Complexity: GAAP/Non-GAAP EPS	Investor Complexity: P/E Impacts	Investor Complexity: NPOI/FCF Conversion	Financial Flexibility: Debt Capacity	Financial Flexibility: Liquidity
Prefund & Begin process to settle liabilities	✓✓	✓✓	✓	✓	✓✓	=	✓✓

NCR's Pension Strategy – Phase II

Catalyst

- NCR's legacy pension liability is large relative to market capitalization and the underfunded position creates income statement volatility

Objectives

- Substantially reduce volatility and size of the pension liability
  - underfunded position improves by an estimated $800M
- Improve free cash flow by reducing annual pension contributions
  - expected to eliminate obligation to make 2012-2017 cash contributions to U.S. qualified plan
- Reduce administrative costs of managing the pension plan
  - positive NPV event in excess of $100M expected
- Decrease differential between GAAP and non-GAAP financials

As a result, investors will be able to focus on NCR's growth strategy

Phase II: Transaction Benefits

- Reduces overall enterprise risk by reducing the size of the pension plan
- Reduces US pension plan underfunding by an estimated $800M
- No annual US qualified plan pension cash contributions expected through 2017(1)
- NPV positive; reduced administrative costs
- Locks in attractive financing rates; represents a major step towards permanently reducing the pension liability
- Enhances clarity of the underlying business
- Maintains flexibility for strategic imperatives

(1) Subject to pension actuarial assumptions

Questions