

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: October 15, 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 October 15, 1997, with respect to its financial results for the quarter ended September 30, 1997, including condensed consolidated balance sheets as of September 30, 1997, and condensed consolidated statements of operations, consolidated revenue summary, and condensed consolidated statements of cash flows for the three months and nine months ended September 30, 1997, 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: October 20, 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](http://www.ncr.com)

NEWS RELEASE

NCR REPORTS NARROWED THIRD-QUARTER LOSS

DAYTON, Ohio - NCR Corporation reported a narrowed third-quarter loss of \$9 million or \$.09 per share, compared to a loss of \$33 million or \$.32 per share in the year-earlier period. Revenue in the quarter was \$1.563 billion compared to \$1.658 billion in last year's third quarter, a decline of six percent. On a local currency basis, revenue declined one percent. Gross margins in the quarter declined to 27.6 percent from 29.1 percent in the year-ago period.

Total orders in the quarter were below the year-ago period. On a local currency basis, orders posted a mid single-digit decline.

"Our business has the potential for significantly-improved results," said Lars Nyberg, NCR Chairman and CEO. "We are announcing today a realignment of our business structure to be more effective and efficient globally. We also remain committed to making NCR a

great place to work for our employees, and an excellent partner for our customers, all while creating value for our shareholders.

"Revenue and operating income at the end of nine months is down compared to 1996. Our seasonally-strong fourth quarter will not be able to offset these year-to-date declines," Nyberg said. "We are redoubling our efforts for revenue generation, order conversion, margin improvement and expense reduction. Although there are challenges, we remain confident of continuing improvement and longer-term success," Nyberg added.

ORDERS

Total orders posted a mid single-digit decline on a local currency basis, compared to the year-ago period. On a product basis, reported orders for retail systems as well as entry level servers and PCs posted percentage gains in the twenties. Financial product orders showed continued strength with a percentage gain in the teens. However, these gains were offset by order declines in computer systems and professional services. On a geographic basis, orders were flat in the Asia/Pacific region with the Americas and Europe/Middle East/Africa regions posting percentage declines ranging from low double-digits to teens.

REVENUE

Worldwide revenue declined six percent on a reported dollar basis and one percent on a local currency basis. On a reported basis, revenue gains in retail products of 14 percent, professional services of 14 percent and financial systems of 2 percent were more than offset by revenue declines in computer systems, systemedia and customer services. Revenue increased in the Asia/Pacific region but declined in both the Americas and Europe/Middle East/Africa regions compared to the year-ago period. On a local currency basis revenue was up ten percent in the Asia/Pacific region and seven percent in Europe/Middle East/Africa.

GROSS MARGINS

Gross margins for NCR products and systems declined to 29.8 percent from 33.5 percent in the year-ago period, with the strengthening of the U.S. dollar against most key foreign currencies playing a major role. Gross margins for NCR services improved to 24.8 percent compared to 23.5 percent in the year-ago period. Total gross margin declined to 27.6 percent of revenue compared to 29.1 percent in last year's third quarter.

EXPENSES

SG&A expenses of \$351 million declined overall from \$364 million in the comparable period last year. Selling expenses increased slightly, but general and

administrative expenses declined reflecting ongoing efforts to improve the efficiency of company business processes.

Research and development expenses increased eight percent to \$96 million compared to \$89 million in the period a year ago, reflecting our continued investment in new offerings.

During the quarter, AT&T and NCR finalized the allocation of 1996 year-end pension plan assets to NCR. In that connection, the valuation of assets used to determine NCR's 1997 pension expense was increased by approximately \$200 million. Accordingly, both gross margin and expenses were positively impacted by a year-to-date increase in the return on pension plan assets calculated using this year's long-term rate of return of 9.5 percent.

INCOME TAXES

Income tax expense in the quarter was \$2 million compared to \$62 million in the year-ago period. The tax expense in the quarter results from tax expense on NCR's international profits and the inability to recognize tax benefits on domestic losses.

BALANCE SHEET

NCR ended the third quarter in a strong financial position with \$1.027 billion in cash and short-term investments, debt of \$105 million and total shareholders equity of \$1.358 billion.

As of September 30, 1997, NCR employed 38,500 people worldwide, including contractors.

NCR Corporation is a recognized world leader in data warehousing solutions; open high-availability transaction processing systems; automated teller machines; scanners and point-of-sale terminals, service and support for transaction-based systems for the retail, financial, communications and other select markets.

###

NOTE TO INVESTORS:

This news release contains forward-looking statements, including statements as to anticipated or expected results, beliefs, opinions, and future financial performance. These forward-looking statements are based on current expectations and assumptions and involve risks and uncertainties that could cause NCR's actual results to differ materially.

In addition to the factors discussed in this release, other risks and uncertainties include the timely development, production or acquisition, and market acceptance of new and existing products and services; shifts in market demands; continued competitive factors and

pricing pressures; short product-cycles and rapidly changing technologies; turnover of sales force and the ability to attract and retain skilled employees; tax rates; ability to execute the company's business plan; general economic and business conditions; and other factors detailed from time to time in the company's Securities and Exchange Commission reports, including the Form 10 filed in November 1996, the Form 10-K for the year ended December 31, 1996, the Form 10-Qs for the quarters ended March 31 and June 30, 1997, and the company's annual report to stockholders for 1996.

The company 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.

NCR CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Unaudited)
 (DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	For the Periods Ended September 30			
	Three Months		Nine Months	
	1997	1996	1997	1996
REVENUES				
Sales	\$ 866	\$ 926	\$ 2,499	\$ 2,738
Services	697	732	2,098	2,185
TOTAL REVENUES	1,563	1,658	4,597	4,923
Cost of sales	608	616	1,744	1,916
Cost of services	524	560	1,600	1,656
GROSS MARGIN	431	482	1,253	1,351
% of Revenue	27.6%	29.1%	27.3%	27.4%
Selling, general, and administrative expenses	351	364	1,027	1,075
% of Revenue	22.5%	22.0%	22.3%	21.8%
Research and development expenses	96	89	279	273
% of Revenue	6.1%	5.4%	6.1%	5.5%
INCOME (LOSS) FROM OPERATIONS	(16)	29	(53)	3
% of Revenue	-1.0%	1.7%	-1.2%	0.1%
Interest expense	4	14	10	40
Other (income) expense, net	(13)	(14)	(43)	(17)
INCOME (LOSS) BEFORE INCOME TAXES	(7)	29	(20)	(20)
% of Revenue	-0.4%	1.7%	-0.4%	-0.4%
Income tax expense	2	62	9	96
NET LOSS	\$ (9)	\$ (33)	\$ (29)	\$ (116)
% of Revenue	-0.6%	-2.0%	-0.6%	-2.4%
NET LOSS PER COMMON SHARE	\$ (0.09)	\$ (0.32)	\$ (0.28)	\$ (1.14)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (IN MILLIONS)	102.5	101.4	102.0	101.4

NCR CORPORATION
 CONSOLIDATED REVENUE SUMMARY
 (Unaudited)
 (DOLLARS IN MILLIONS)

	For the Periods Ended September 30			
	----- Three Months		----- Nine Months	
	----- 1997	----- 1996	----- 1997	----- 1996
	-----	-----	-----	-----
Retail Products	\$ 120	\$ 105	\$ 334	\$ 300
Financial Products	230	225	679	666
Computer Products	281	343	785	945
PCs/Entry Level Server Products	107	106	306	377
Systemedia Products	119	133	367	405
Customer Support Services	518	561	1,548	1,645
Professional Services	151	133	456	417
Data Services	26	30	82	94
Other	11	22	40	74
	-----	-----	-----	-----
Total Revenues	\$1,563	\$1,658	\$4,597	\$4,923
	=====	=====	=====	=====

NCR CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(DOLLARS IN MILLIONS)

	September 30 1997	June 30 1997	December 31 1996
	----- (Unaudited)	----- (Unaudited)	-----
ASSETS			
Current assets			
Cash and short-term investments	\$1,027	\$1,156	\$1,203
Accounts receivable, net	1,363	1,446	1,457
Inventories	540	517	439
Other current assets	236	244	219
	-----	-----	-----
TOTAL CURRENT ASSETS	3,166	3,363	3,318
Property, plant, and equipment, net	1,118	1,146	1,207
Other assets	841	776	755
	-----	-----	-----
TOTAL ASSETS	\$5,125	\$5,285	\$5,280
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term borrowings	\$ 69	\$ 56	\$ 28
Accounts payable	300	303	352
Other current liabilities	1,485	1,581	1,587
	-----	-----	-----
TOTAL CURRENT LIABILITIES	1,854	1,940	1,967
Long-term debt	36	36	48
Other long-term liabilities	1,877	1,879	1,869
	-----	-----	-----
TOTAL LIABILITIES	3,767	3,855	3,884
TOTAL SHAREHOLDERS' EQUITY	1,358	1,430	1,396
	-----	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$5,125	\$5,285	\$5,280
	=====	=====	=====

NCR CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)
 (DOLLARS IN MILLIONS)

	For the Periods Ended September 30			
	Three Months		Nine Months	
	1997	1996	1997	1996
OPERATING ACTIVITIES				
Net Loss	\$ (9)	\$ (33)	\$ (29)	\$ (116)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	92	100	278	275
Changes in operating assets and liabilities				
Receivables	83	(201)	94	532
Inventories	(23)	1	(101)	62
Other	(193)	88	(218)	(449)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(50)	(45)	24	304
INVESTING ACTIVITIES				
Short-term investments, net	63	(32)	(214)	(49)
Expenditures for service parts & property, plant, and equipment	(66)	(79)	(215)	(310)
Other investing activities	(6)	24	9	42
NET CASH USED IN INVESTING ACTIVITIES	(9)	(87)	(420)	(317)
FINANCING ACTIVITIES				
Short-term borrowings, net	13	3	41	(3)
Long-term debt, net	--	(9)	(12)	(240)
Transfers from AT&T, net	--	43	--	638
Other financing activities	11	--	29	--
NET CASH PROVIDED BY FINANCING ACTIVITIES	24	37	58	395
Effect of exchange rate changes on cash and cash equivalents	(31)	6	(52)	(1)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(66)	(89)	(390)	381
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	839	784	1,163	314
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 773	\$ 695	\$ 773	\$ 695