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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (date of earliest event reported): April 22, 2010**

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**NCR CORPORATION**

(Exact name of registrant as specified in its charter)

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**Commission File Number 001-00395**

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**31-0387920**  
(I.R.S. Employer  
Identification No.)

**3097 Satellite Boulevard  
Duluth, Georgia 30096**  
(Address of principal executive offices and zip code)

**Registrant's telephone number, including area code: (937) 445-5000**

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On April 22, 2010, the Company issued a press release setting forth its first quarter 2010 revenue and earnings per share amounts along with its forecast for 2010 earnings per share. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

**Item 7.01 Regulation FD Disclosure.**

The information set forth above under Item 2.02 "Results of Operations and Financial Condition" is hereby furnished pursuant to this Item 7.01 and Exhibit 99.1 is hereby incorporated by reference into this Item 7.01.

The Company today will hold its previously-announced conference call to discuss its 2010 first quarter results and guidance for the full year 2010. A copy of the materials to be used in conjunction with the conference call is attached hereto as Exhibit 99.2.

*The information contained in this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2, is furnished pursuant to Items 2.02 and 7.01 of Form 8-K and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly stated by specific reference in such filing.*

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

The following exhibits are furnished with this current report on Form 8-K:

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 99.1               | Press Release issued by the Company, dated April 22, 2010. |
| 99.2               | Presentation of the Company, dated April 22, 2010.         |

**SIGNATURES**

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: April 22, 2010

By: /s/ Robert Fishman  
Robert Fishman  
Senior Vice President and Chief Financial Officer

**Index to Exhibits**

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Experience a new world of interaction

NEWS RELEASE

April 22, 2010

**NCR announces first-quarter results**

- **Q1 2010 operational results above expectations; improved backlog driven by 18% increase in orders versus the prior year period**
- **Company announces plan to address pension funding status; rebalancing portfolio to fixed income to substantially reduce risk and volatility**
- **NCR reaffirms full year 2010 revenue and non-GAAP guidance**

**DULUTH, Georgia** – NCR Corporation (NYSE: NCR) reported financial results today for the three months ended March 31, 2010. Reported revenue of \$1.03 billion increased 2 percent from the first quarter of 2009 and included approximately 5 percentage points of benefit from foreign currency translation.

NCR reported a first-quarter net loss attributable to NCR of \$19 million, or \$0.12 per diluted share, compared to a net loss attributable to NCR of \$15 million, or \$0.09 per diluted share, in the first quarter of 2009. Net loss attributable to NCR in the first quarter of 2010 included \$56 million of pension expense (\$40 million or \$0.25 per diluted share, after-tax) and \$5 million (\$3 million or \$0.02 per diluted share, after-tax) of incremental costs related to the relocation of the Company's global headquarters. Net loss attributable to NCR for the first quarter of 2009 included \$38 million of pension expense (\$25 million or \$0.15 per diluted share, after-tax) and a \$5 million (\$3 million after-tax) impairment charge related to an equity investment, which was offset by a \$5 million (\$3 million after-tax) benefit from an insurance settlement related to the Fox River environmental matter. Excluding these items, non-GAAP earnings per share<sup>(1)</sup> in the first quarter of 2010 was \$0.15 per diluted share compared to \$0.06 in the prior year period.

"First quarter revenue and non-pension operating income growth, coupled with improving margins and balanced order growth give us increased confidence in 2010," said Bill Nuti, chairman and chief executive officer. "Our further execution on sustainable productivity improvements has also allowed us to keep pace with our cost reduction initiative. In addition, today we announced a definitive strategic plan to address the underfunded status of our pension plans. We anticipate that these planned actions will lead to greater visibility into our operating performance as we pursue our longer-term growth objectives."

**First-Quarter 2010 Highlights**

**Financial highlights** – Year-over-year revenue comparisons benefited from improvement in global economic conditions generally and the resulting impact on the global financial services industry and the retail and hospitality industries. Revenues grew 24 percent in the

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Asia-Pacific-Japan (APJ) region due to higher sales in both the financial services industry and the retail industry. Revenue in APJ was positively impacted by 12 percent due to foreign currency translation. Revenues rose 1 percent in the Americas region as increased revenues from the entertainment business were somewhat offset by lower product sales to customers in the financial services industry and the retail and hospitality industries in the United States, the Caribbean, and Latin America. Revenues in the Americas region were positively impacted by 2 percent due to foreign currency translation. In the Europe/Middle East/Africa (EMEA) region, revenues declined 6 percent due primarily to lower product sales to customers in financial services across the region. Product sales to the retail and hospitality industries also declined in EMEA, while revenue was positively impacted by 5 percent due to foreign currency translation.

Loss from operations was \$18 million in the first quarter of 2010, which included \$56 million of pension expense and \$5 million of incremental costs related to the headquarters relocation. This compares to a \$10 million loss from operations in the first quarter of 2009, which included \$38 million of pension expense. Excluding these items, non-GAAP income from operations<sup>(2)</sup> was \$43 million in the first quarter of 2010 compared to \$28 million in the first quarter of 2009.

NCR generated \$14 million of cash from operating activities during the first quarter of 2010 compared to \$38 million in the year-ago period. Net capital expenditures increased to \$51 million in the first quarter of 2010 from \$25 million in the year-ago period, primarily due to investments in the entertainment business. NCR generated negative free cash flow (cash from operations less capital expenditures)<sup>(3)</sup> of \$37 million in the first quarter of 2010, compared to free cash flow of \$13 million in the first quarter of 2009.

Other income, net was \$1 million in the first quarter of 2010 compared to no other income, net in the prior year period. NCR had an income tax benefit of \$1 million in both the first quarter of 2010 and the first quarter of 2009. The income tax benefit in the first quarter of 2010 resulted in an effective tax rate of 6 percent which was due to the operating loss before income taxes and accruals related to uncertain tax positions.

NCR ended the quarter with \$408 million in cash and cash equivalents, a \$43 million decrease from the \$451 million balance as of December 31, 2009. As of March 31, 2010, NCR had a debt balance of \$11 million.

NCR contributed approximately \$17 million to its international and executive pension benefit plans during the first quarter of 2010 and expects to contribute approximately \$110 million during the full year. The Company's global pension plans were underfunded by approximately \$1.0 billion as of December 31, 2009.

During the first quarter of 2010, the Company completed a comprehensive analysis of its capital allocation strategy, with specific focus on its approach to pension management. As a result of this analysis, the Company plans to substantially reduce future volatility in the U.S. pension plan by rebalancing the asset allocation to a portfolio of entirely fixed income assets by the end of 2012.

**Business highlights** – In the first quarter of 2010, NCR continued the integration of its services business into the Industry Solutions Group which is comprised of NCR's Financial, Retail, Entertainment, Travel and Gaming, and Healthcare solutions offerings. In the first quarter, NCR also deployed its industry-leading self-service technologies across the entertainment, travel and retail markets and drove increased penetration of its core ATM solutions.

NCR further advanced its entertainment kiosk strategy during the first quarter, adding Sheetz convenience stores to its growing roster of retail partners. Consumers can now visit NCR's BLOCKBUSTER Express™-branded DVD-rental kiosks at nearly all 365 Sheetz locations which are open 24 hours a day. This represents NCR's first major BLOCKBUSTER Express™ kiosk deployment in six new markets located throughout North Carolina, Ohio, Pennsylvania and West Virginia. The kiosks will be located outside Sheetz stores. NCR's outdoor kiosks are optimally designed for C-store locations that welcome customers 24 hours a day but have limited space. Also in the first quarter, NCR made renting a DVD from BLOCKBUSTER Express™ kiosks faster and easier by allowing customers to rent DVDs online at [blockbusterexpress.com](http://blockbusterexpress.com). Through the new rent online feature at [blockbusterexpress.com](http://blockbusterexpress.com), customers can create a favorites list, browse available titles at their preferred kiosk, complete the rental of up to three titles at once online and then pick up their DVDs from the kiosk at their convenience. These new rent online features enhance the home entertainment experience by allowing movie fans to spend less time renting and more time enjoying their DVDs.

NCR and InMotion Entertainment announced a partnership which will result in MOD digital kiosks being installed in InMotion retail locations located in major airports across the U.S. The kiosks are designed to store thousands of video titles including movies and TV shows, and a host of other media including millions of music titles, travel videos, games and e-books. InMotion currently has 57 stores located in 35 airports constituting an attractive deployment footprint with heavy consumer traffic, consumers with time voids, and a lack of alternative entertainment options.

NCR expanded its travel business by enabling TACA International Airlines (TACA) to give passengers greater check-in convenience on the web and at the kiosk. TACA, recognized by SkyTrax in 2009 as the best airline in Central America, is taking self-service convenience to the next level by deploying a self-service enterprise software solution from NCR that enables passengers to manage a broad range of check-in services. TACA is the first airline in Latin America to deploy the new full-featured self-service check-in software solution from NCR.

In the retail vertical, NCR announced a new release of its NCR Netkey digital signage solution, designed to help companies connect better with their customers by simplifying content management, delivering richer content and supporting Windows 7 for Embedded Systems. Available as either licensed software or as a Software-as-a-Service (SaaS) subscription, the new release marks the first enhancement delivered since NCR's acquisition of Netkey in October 2009. NCR also re-affirmed its commitment to deliver to market further digital signage enhancements as an integral element of its extensive suite of consumer-facing solutions.

In healthcare, NCR announced that Healthy Advice Networks, the nation's leading provider of physician office-based health education programs, is using NCR Netkey to power its PracticeWire™ service. PracticeWire delivers real-time health content to physicians throughout the United States via wall-mounted digital screens enabled with wireless broadband. NCR Netkey provides Healthy Advice Networks with a centralized, Web-based digital content management solution that utilizes administration tools to schedule and deliver highly-customized educational material directly to physicians.

The Methodist Hospital System (TMHS), named by *U.S. News and World Report* as one of America's Best Hospitals, is further improving the patient experience by employing self-service online, mobile and kiosk solutions from NCR to do everything from making an

appointment to settling outstanding balances. Studies show that offering this added convenience can have a significant impact on patient loyalty. A 2009 survey of U.S. consumers commissioned by NCR reveals that 72 percent of patients are more likely to choose a healthcare provider that offers the flexibility to interact via online, mobile and kiosk self-service channels.

In the financial business, research published by Retail Banking Research (RBR) shows that NCR is the world's largest supplier of multivendor ATM middleware and applications. Most notably, substantially more financial institutions in North America rely on NCR's APTRA software suite than the next three providers combined, and RBR also found that NCR holds market share leads in Western Europe and Latin America.

### **2010 Outlook**

NCR expects full-year 2010 revenues to increase in the range of 2 to 5 percent on a constant currency basis compared with 2009. Including the continuing investment in its entertainment portfolio, the Company expects its full-year 2010 Income from Operations (GAAP) to be \$90 million to \$110 million, Non-pension operating income (NPOI)<sup>(2)</sup> to be in the range of \$310 million to \$330 million, GAAP diluted earnings per share to be \$0.39 to \$0.49, and non-GAAP diluted earnings per share excluding pension expense<sup>(1)</sup> to be in the range of \$1.35 to \$1.45 per diluted share. The 2010 non-GAAP EPS guidance excludes estimated pension expense of \$215 million (approximately \$151 million after-tax) compared to actual pension expense of \$159 million (\$108 million after-tax) in 2009. NCR expects its 2010 effective income tax rate to be approximately 27 percent for the full year.

|  | <u>Current 2010<br/>Guidance</u>       | <u>Prior 2010<br/>Guidance</u>         | <u>2009<br/>Actual</u> |
|--|--|--|------------------------|
| Year-over-year revenue (constant currency)                                     | <u>2% - 5%</u>                         | <u>2% - 5%</u>                         | <u>(12%)</u>           |
| Income from Operations (GAAP)  | <u>\$90 - \$110</u><br><u>million</u>  | <u>\$95 - \$115</u><br><u>million</u>  | <u>\$97 million</u>    |
| Non-pension operating income <sup>(2)</sup>                                    | <u>\$310 - \$330</u><br><u>million</u> | <u>\$310 - \$330</u><br><u>million</u> | <u>\$284 million</u>   |
| Diluted earnings (loss) per share (GAAP)                                       | <u>\$0.39 - \$0.49</u>                 | <u>\$0.41 - \$0.51</u>                 | <u>(\$0.21)</u>        |
| Diluted earnings per share excluding pension expense (non-GAAP) <sup>(1)</sup> | <u>\$1.35 - \$1.45</u>                 | <u>\$1.35 - \$1.45</u>                 | <u>\$1.27</u>          |

The Company expects Q2 2010 pension expense of \$50 million to \$55 million (approximately \$34 million to \$37 million after-tax) compared to actual pension expense of \$39 million (\$29 million after-tax) in the second quarter of 2009. Including the continuing investment in its entertainment portfolio, the Company expects second quarter 2010 non-pension operating income<sup>(2)</sup> to be in the range of \$75 million to \$85 million. NCR estimates its Q2 2010 effective income tax rate to be 35 to 40 percent, as the second quarter effective tax rate is typically higher than the full year effective tax rate.

### **2010 First Quarter Earnings Conference Call**

A conference call is scheduled today at 4:30 p.m. (EST) to discuss the company's 2010 first-quarter results and guidance for full-year 2010. Access to the conference call, as



well as a replay of the call, is available on NCR's Web site at <http://investor.ncr.com/>.

Presentation materials that include supplemental financial information regarding NCR's first quarter 2010 operating results and capital allocation strategy are also available on NCR's Web site.

**About NCR Corporation**

NCR Corporation (NYSE: NCR) is a global technology company leading how the world connects, interacts and transacts with business. NCR's assisted- and self-service solutions and comprehensive support services address the needs of retail, financial, travel, healthcare, hospitality, entertainment, gaming and public sector organizations in more than 100 countries. NCR ([www.ncr.com](http://www.ncr.com)) is headquartered in Duluth, Georgia.

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## Reconciliation of Diluted (Loss) Earnings Per Share (GAAP) to Non-GAAP Measures

|  | Q1 2010<br>Actual | Q1 2009<br>Actual | Current 2010<br>Guidance |
|--|-------------------|-------------------|--------------------------|
| <b>Diluted (Loss) Earnings Per Share (GAAP)</b>            | <b>(\$0.12)</b>   | <b>(\$0.09)</b>   | <b>\$0.39 - \$0.49</b>   |
| Fox River environmental matter, net                        | —                 | 0.03              | —                        |
| Impairment of equity investment and related assets         | —                 | (0.03)            | —                        |
| Global headquarters relocation                             | (0.02)            | —                 | (0.02)                   |
| Pension Expense  | (0.25)            | (0.15)            | (0.94)                   |
| <b>Diluted Earnings Per Share (non-GAAP)<sup>(1)</sup></b> | <b>\$ 0.15</b>    | <b>\$ 0.06</b>    | <b>\$1.35 - \$1.45</b>   |

## Free Cash Flow

|   | For the Period Ended March 31<br>(in millions) |              |
|---|--|--------------|
|   | Three Months                                   |              |
|   | 2010   | 2009         |
| <b>Cash provided by operating activities (GAAP)</b>                         | <b>\$ 14</b>                                   | <b>\$ 38</b> |
| Less capital expenditures for:  |  |              |
| Expenditures for property, plant and equipment, net of grant reimbursements | (38)   | (10)         |
| Additions to capitalized software   | (13)   | (15)         |
| Total capital expenditures, net   | (51)   | (25)         |
| <b>Free cash (used) flow (non-GAAP)<sup>(3)</sup></b>                       | <b>(\$37)</b>                                  | <b>\$ 13</b> |

- (1) NCR reports its results in accordance with Generally Accepted Accounting Principles in the United States, or GAAP. However, the company believes that certain non-GAAP measures found in this release are useful for investors. NCR's management evaluates the company's results excluding certain items to assess the financial performance of the company and believes this information is useful for investors because it provides a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with past reports of financial results. In addition, management uses earnings per share excluding these items to manage and determine effectiveness of its business managers and as a basis for incentive compensation. These non-GAAP measures should not be considered as substitutes for or superior to results determined in accordance with GAAP.
- (2) The segment results included in Schedule B and non-GAAP income from operations discussed in this earnings release exclude the impact of pension expense and certain items. Schedule B, included in this earnings release, reconciles total income from operations excluding pension expense and certain items to income from operations for the company. NCR's management evaluates the company's results excluding certain items to assess the financial performance of the company and believes this information is useful for investors because it provides a more complete understanding of

NCR's underlying operational performance, as well as consistency and comparability with past reports of financial results. These non-GAAP measures should not be considered as substitutes for or superior to results determined in accordance with GAAP.

- (3) NCR defines free cash flow as cash provided/used by operating activities less capital expenditures for property, plant and equipment, and additions to capitalized software. Free cash flow does not have a uniform definition under GAAP and, therefore, NCR's definition may differ from other companies' definitions of this measure. NCR's management uses free cash flow to assess the financial performance of the company and believes it is useful for investors because it relates the operating cash flow of the company to the capital that is spent to continue and improve business operations. In particular, free cash flow indicates the amount of cash generated after capital expenditures 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 does not represent the residual cash flow available for discretionary expenditures since there may be other nondiscretionary expenditures that are not deducted from the measure. This non-GAAP measure should not be considered a substitute for or superior to cash flows from operating activities determined in accordance with GAAP.

**Note to investors** – This news release contains forward-looking statements, including statements as to anticipated or expected results, beliefs, opinions and future financial performance, within the meaning of Section 21E of the Securities and Exchange Act of 1934. Forward-looking statements include projections of revenue, profit growth and other financial items, future economic performance and statements concerning analysts' earnings estimates, among other things. 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 those relating to: the uncertain economic climate, in particular the current global economic conditions, which could impact the ability of our customers to make capital expenditures thereby affecting their ability to purchase our products, and continued consolidation in the financial services sector, which could impact our business by reducing our customer base; the timely development, production or acquisition and market acceptance of new and existing products and services (such as self-service technologies), including our ability to accelerate market acceptance of new products and services; shifts in market demands, continued competitive factors and pricing pressures and their impact on our ability to improve gross margins and profitability, especially in our more mature offerings; the effect of currency translation; short product cycles, rapidly changing technologies and maintaining a competitive leadership position with respect to our solution offerings; tax rates; ability to execute our business and reengineering plans, including potential impact from our transition from a business unit to functional organizational model; turnover of workforce and the ability to attract and retain skilled employees, especially in light of continued cost-control measures being taken by the company and the relocation of our corporate headquarters; availability and successful exploitation of new acquisition and alliance opportunities; changes in Generally Accepted Accounting Principles (GAAP) and the resulting impact, if any, on the company's accounting policies; continued efforts to establish and maintain best-in-class internal information technology and control systems; and other factors detailed from time to time in the company's U.S. Securities and Exchange Commission reports and the company's annual reports to stockholders. 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)  
 (in millions, except per share amounts)

|  | For the Periods Ended March 31 |           |
|--|--------------------------------|-----------|
|  | Three Months                   |           |
|  | 2010                           | 2009      |
| <b>Revenue</b>   |                                |           |
| Products   | \$ 468                         | \$ 458    |
| Services   | 561                            | 550       |
| <b>Total revenue</b>   | 1,029                          | 1,008     |
| Cost of products   | 383                            | 370       |
| Cost of services   | 455                            | 454       |
| <b>Total gross margin</b>  | 191                            | 184       |
| % of Revenue   | 18.6%                          | 18.3%     |
| Selling, general and administrative expenses                       | 170                            | 159       |
| Research and development expenses                                  | 39                             | 35        |
| <b>Loss from operations</b>  | (18)                           | (10)      |
| % of Revenue   | (1.7)%                         | (1.0)%    |
| Interest expense   | 1                              | 5         |
| Other (income) expense, net  | (1)                            | —         |
| <b>Loss before income taxes</b>                                    | (18)                           | (15)      |
| % of Revenue   | (1.7)%                         | (1.5)%    |
| Income tax benefit   | (1)                            | (1)       |
| <b>Net loss</b>  | (17)                           | (14)      |
| Net income attributable to noncontrolling interests                | 2                              | 1         |
| <b>Net loss attributable to NCR</b>                                | \$ (19)                        | \$ (15)   |
| <b>Net loss per share attributable to NCR common stockholders:</b> |                                |           |
| Basic  | \$ (0.12)                      | \$ (0.09) |
| Diluted  | \$ (0.12)                      | \$ (0.09) |
| <b>Weighted average common shares outstanding</b>                  |                                |           |
| Basic  | 159.9                          | 158.3     |
| Diluted  | *159.9                         | *158.3    |

\* Due to the net loss, potential common shares that would cause dilution, such as stock options and restricted stock, have been excluded from the diluted share count because their effect would have been anti-dilutive. For the three months ended March 31, 2010 and 2009, fully diluted shares would have been 161.1 million and 159.4 million, respectively.



NCR CORPORATION  
 CONSOLIDATED REVENUE and OPERATING INCOME SUMMARY  
 (Unaudited)  
 (in millions)

|  | For the Periods Ended March 31 |                 |        |
|--|--------------------------------|-----------------|--------|
|  | Three Months                   |                 | %      |
|  | 2010                           | 2009            | Change |
| <b>Revenue by segment</b>                    |                                |                 |        |
| Americas                                     | \$ 464                         | \$ 459          | 1%     |
| EMEA   | 363                            | 386             | (6)%   |
| APJ  | 202                            | 163             | 24%    |
| <b>Consolidated revenue</b>                  | <u>\$ 1,029</u>                | <u>\$ 1,008</u> | 2%     |
| <b>Gross margin by segment</b>               |                                |                 |        |
| Americas                                     | \$ 94                          | \$ 80           |        |
| % of Revenue                                 | 20.3%                          | 17.4%           |        |
| EMEA   | 88                             | 92              |        |
| % of Revenue                                 | 24.2%                          | 23.8%           |        |
| APJ  | 39                             | 33              |        |
| % of Revenue                                 | 19.3%                          | 20.2%           |        |
| <b>Total - segment gross margin</b>          | <u>\$ 221</u>                  | <u>\$ 205</u>   |        |
| % of Revenue                                 | 21.5%                          | 20.3%           |        |
| Selling, general and administrative expenses | 147                            | 146             |        |
| Research and development expenses            | 31                             | 31              |        |
| <b>Non-GAAP income from operations</b>       | <u>\$ 43</u>                   | <u>\$ 28</u>    |        |
| Pension expense                              | (56)                           | (38)            |        |
| Other adjustments <sup>(1)</sup>             | (5)                            | —               |        |
| <b>Loss from operations</b>                  | <u>\$ (18)</u>                 | <u>\$ (10)</u>  |        |

(1) Other adjustments in 2010 include incremental costs of \$5 million directly related to the relocation of the Company's worldwide headquarters.



NCR CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)  
(in millions, except per share amounts)

|   | March 31<br>2010 | December 31<br>2009 |
|---|------------------|---------------------|
| <b>Assets</b>   |                  |                     |
| Current assets  |                  |                     |
| Cash and cash equivalents   | \$ 408           | \$ 451              |
| Accounts receivable, net  | 884              | 896                 |
| Inventories, net  | 720              | 686                 |
| Other current assets  | 287              | 266                 |
| <b>Total current assets</b>   | <b>2,299</b>     | <b>2,299</b>        |
| Property, plant and equipment, net  | 374              | 356                 |
| Goodwill  | 99               | 100                 |
| Prepaid pension cost  | 245              | 244                 |
| Deferred income taxes   | 616              | 617                 |
| Other assets  | 471              | 478                 |
| <b>Total assets</b>   | <b>\$ 4,104</b>  | <b>\$ 4,094</b>     |
| <b>Liabilities and stockholders' equity</b>   |                  |                     |
| Current liabilities   |                  |                     |
| Short-term borrowings   | \$ —             | \$ 4                |
| Accounts payable  | 520              | 557                 |
| Payroll and benefits liabilities  | 132              | 125                 |
| Deferred service revenue and customer deposits  | 375              | 329                 |
| Other current liabilities   | 371              | 367                 |
| <b>Total current liabilities</b>  | <b>1,398</b>     | <b>1,382</b>        |
| Long-term debt  | 11               | 11                  |
| Pension and indemnity plan liabilities  | 1,246            | 1,268               |
| Postretirement and postemployment benefits liabilities  | 353              | 355                 |
| Income tax accruals   | 166              | 165                 |
| Environmental liabilities   | 274              | 279                 |
| Other liabilities   | 35               | 42                  |
| <b>Total liabilities</b>  | <b>3,483</b>     | <b>3,502</b>        |
| <b>Stockholders' equity</b>   |                  |                     |
| NCR stockholders' equity:   |                  |                     |
| Preferred stock: par value \$0.01 per share, 100.0 shares authorized, no shares issued and outstanding at March 31, 2010 and December 31, 2009, respectively            | —                | —                   |
| Common stock: par value \$0.01 per share, 500.0 shares authorized, 160.3 and 159.6 shares issued and outstanding at March 31, 2010, and December 31, 2009, respectively | 2                | 2                   |
| Paid-in capital   | 272              | 270                 |
| Retained earnings   | 1,782            | 1,801               |
| Accumulated other comprehensive loss  | (1,465)          | (1,509)             |
| <b>Total NCR stockholders' equity</b>   | <b>591</b>       | <b>564</b>          |
| Noncontrolling interests in subsidiaries  | 30               | 28                  |
| <b>Total stockholders' equity</b>   | <b>621</b>       | <b>592</b>          |
| <b>Total liabilities and stockholders' equity</b>   | <b>\$ 4,104</b>  | <b>\$ 4,094</b>     |



NCR CORPORATION  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (Unaudited)  
 (in millions)

|   | For the Periods Ended March 31 |               |
|---|--------------------------------|---------------|
|   | Three Months                   |               |
|   | 2010                           | 2009          |
| <b>Operating activities</b>   |                                |               |
| Net loss  | \$ (17)                        | \$ (14)       |
| Adjustments to reconcile net loss to net cash provided by operating activities: |                                |               |
| Depreciation and amortization   | 32                             | 29            |
| Stock-based compensation expense  | 2                              | 4             |
| Deferred income taxes   | 10                             | —             |
| Changes in assets and liabilities:  |                                |               |
| Receivables   | 12                             | 58            |
| Inventories   | (34)                           | (5)           |
| Current payables and accrued expenses   | (36)                           | (117)         |
| Deferred service revenue and customer deposits                                  | 47                             | 68            |
| Employee severance and pension  | 37                             | 18            |
| Environmental assets and liabilities  | (8)                            | (6)           |
| Other assets and liabilities  | (31)                           | 3             |
| <b>Net cash provided by operating activities</b>                                | <u>14</u>                      | <u>38</u>     |
| <b>Investing activities</b>   |                                |               |
| Grant reimbursements from capital expenditures                                  | 1                              | —             |
| Expenditures for property, plant and equipment                                  | (39)                           | (10)          |
| Additions to capitalized software   | (13)                           | (15)          |
| <b>Net cash used in investing activities</b>                                    | <u>(51)</u>                    | <u>(25)</u>   |
| <b>Financing activities</b>   |                                |               |
| Purchase of Company common stock  | —                              | (1)           |
| Short-term borrowings, net  | (4)                            | —             |
| Proceeds from employee stock plans  | 2                              | 2             |
| <b>Net cash (used in) provided by financing activities</b>                      | <u>(2)</u>                     | <u>1</u>      |
| Effect of exchange rate changes on cash and cash equivalents                    | (4)                            | (8)           |
| <b>(Decrease) increase in cash and cash equivalents</b>                         | (43)                           | 6             |
| <b>Cash and cash equivalents at beginning of period</b>                         | <u>451</u>                     | <u>711</u>    |
| <b>Cash and cash equivalents at end of period</b>                               | <u>\$ 408</u>                  | <u>\$ 717</u> |

Are you ready for the future of customer interactions?

YES

## NCR Q1 2010 Results & Pension Strategy

April 22, 2010





## Note to Investors

Certain non-GAAP financial information regarding NCR's operating results may be discussed during this presentation. Reconciliation of the differences between GAAP and non-GAAP measures are included elsewhere in this presentation and are available on the Investor page of NCR's website at [www.ncr.com](http://www.ncr.com).

Remarks and responses associated with this presentation include forward-looking statements that are based on current expectations and assumptions. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to vary materially. These risk factors are detailed from time to time in NCR's SEC reports, including, but not limited to, Forms 10Q, 10K, 8K and the Company's annual report to shareholders. These charts and the associated remarks are integrally related and are intended to be presented and understood together.

# Overview of Q1 Results/Announcements

## ➤ Q1 2010 Financial Results Above Expectations

- A return to revenue growth
- Gross margin improvement
- Cost/expense program execution
- Significant non-pension operating income (NPOI) <sup>(1)</sup> and non-pension EPS <sup>(1)</sup> growth

## ➤ 2010 Revenue & Non-GAAP Guidance Re-Affirmed

## ➤ Pension Strategy

- Company announces plan to address pension funding status
- Re-balancing pension assets to fixed income by end of 2012 will substantially reduce risk and volatility



<sup>(1)</sup> See reconciliation of GAAP to non-GAAP measures at the end of this presentation

# Q1 2010 vs. Q1 2009 Financial Highlights

- Revenue up 2% to \$1.03B
- Gross margin up 120 bps, inclusive of negative 70 bps effect from Entertainment
- NPOI<sup>(1)</sup> up 54% to \$43M
- Non-GAAP EPS ex pension expense <sup>(1)</sup> \$0.15; up 150% from \$0.06 in Q1-2009
- Improved backlog driven by 18% increase in orders; Double digit order growth balanced; Financial & Retail



<sup>(1)</sup> See reconciliation of GAAP to non-GAAP measures at the end of this presentation

# Overview of NCR's Business

## Core Business

## Entertainment

## Pension

### Overview:

#### NCR core vs. competitors

- Core produces **more** revenue
- Core produces **more** profit
- Core enterprise value is **less** than competitors

#### Primary competitors

- Trade at higher EBITDA and EPS multiples based on 2010 consensus

### Financials

- Expect 2010 revenue of \$125-\$150 million and \$30 million loss from operations
- Goal to be breakeven by end of 2011 on run-rate basis
- \$1B+ revenue opportunity

#### Largest competitor

- Consensus \$1B+ revenue in 2010
- EBIT margin mid-high teens for DVD rental-only business

#### Brand

- License to use Blockbuster brand in the kiosk channel

### GAAP impacts

- \$1 billion underfunded status as of 2009 year end
- \$215 million expected expense in 2010
- Majority of pension expense is amortization of prior losses (non-cash)

### Cash impacts

- Pre-tax net cash liability of ~\$1 billion (~\$750 million after-tax) as of 2009 year end
- Expect cash contributions of ~\$110 million in 2010

### Strategy:

#### Grow revenue

- Low-mid single digit market growth in core
- Select strategic acquisitions to grow faster than the secular market
- New markets and new geographies, adjacencies

#### Continue to manage costs and increase productivity

- Cost savings of \$200-\$250 million from 2008 through 2011 (50% re-invested)

#### Grow revenue

- Build out kiosk network - up to 10k units by year-end 2010
- Continued domestic and international build-out in 2011

#### Create new category; higher growth and margins than core

- Only multi-channel, multi-segment offer in industry

### Eliminate current underfunded liability

- Rebalance asset portfolio to fixed income by end of 2012
- Interest rate increases and asset price improvement would reduce the underfunded position

### Eliminate future volatility of plan expense and funded status

- Match assets and liabilities

# Addressing NCR's Valuation Gap

- NCR trades at a material discount to the market and its peers, largely due to the current pension situation
- Pension assets invested in equities are not only volatile, but correlated with NCR's operating businesses
- A significant portion of NCR's capital is allocated to its "pension-management" business
  - This allocation has limited NCR's ability to invest in our core operating businesses and to provide immediate shareholder returns
  - Under-utilization of NCR balance sheet
- **To fix the valuation gap, NCR plans to:**
  - **Reduce risk and volatility by re-allocating our domestic pension portfolio to fixed-income securities by year-end 2012**
  - **Direct freed-up risk-taking capacity to the highest value-added investment alternatives: organic investments, strategic acquisitions**
  - **Fund the pension plan according to regulatory requirements (i.e., do not pre-fund)**

## ➤ Pension Management Strategy

- Shift asset allocation of US Pension Plans to 100% fixed income by the end of 2012
  - Target 60% by end of 2010, 80% by end of 2011, and 100% by end of 2012
  - Mostly high grade corporate bonds with an overall duration that approximates the duration of the liability
- For International Pension Plans, work with local pension trustee boards to make similar changes in asset allocation to the extent that it is appropriate to do so
  - Each plan operates in a unique environment which influences appropriate asset allocation
  - Local pension trustee boards have final authority in determining appropriate asset allocation

( \$ Millions)

|               | <u>Pension Metrics &amp; Funded Status</u> |                 |                              |                 |                              |
|---------------|--|-----------------|------------------------------|-----------------|------------------------------|
|               | Asset Return                               | Discount rate   |                              | Funded Status   |                              |
|               | <u>3/31/10 YTD<sup>(2)</sup></u>           | <u>12/31/09</u> | <u>3/31/10<sup>(2)</sup></u> | <u>12/31/09</u> | <u>3/31/10<sup>(2)</sup></u> |
| US Plans      | 3.5%                                       | 5.75%           | 5.88%                        | \$ (822)        | \$ (740)                     |
| International | 2%   | 4.9%            | 4.8%                         | (226)           | (250)                        |
| Global        | 2.9%                                       | 5.4%            | 5.45%                        | \$ (1,048)      | \$ (990)                     |

( \$ Millions)

|                           | <u>Cash Funding for Pension Plans</u> |             |              |              |              |              |
|---------------------------|---------------------------------------|-------------|--------------|--------------|--------------|--------------|
|                           | <u>2008</u>                           | <u>2009</u> | <u>2010E</u> | <u>2011E</u> | <u>2012E</u> | <u>2013E</u> |
| International & Executive | \$ 83                                 | \$ 83       | \$ 110       | \$ 125       | \$ 125       | \$ 125       |
| US Qualified Plan*        | 0                                     | 0           | 0            | 0            | 125          | 175          |
| Total                     | \$ 83                                 | \$ 83       | \$ 110       | \$ 125       | \$ 250       | \$ 300       |

\*Assumes no funding relief legislation

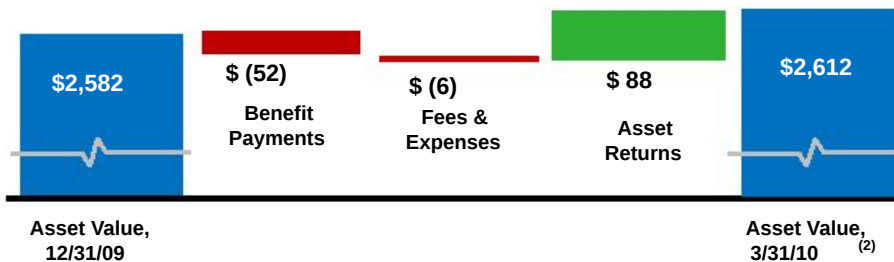
- Funded Status of US Plans improved by \$82 million due to asset returns & discount rate <sup>(2)</sup>
- Funded Status of International Plans has deteriorated slightly driven by discount rate decreases <sup>(2)</sup>
- Funding for 2011-2013 are rough estimates based on expected returns and current discount rate

<sup>(2)</sup> Estimated based on data available at March 31, 2010; for accounting purposes the pension plans are not marked-to-market on a quarterly basis

# US Plans Only – Funded Status Bridge

(\$Millions)

## Assets



## Liabilities



## Funded Status

\$ (822)      +2      +38      +42      \$ (740) <sup>(2)</sup>

- Funded Status of US Plans improved ~\$82 million in Q1 to (\$740 million) <sup>(2)</sup>
- Improvement was due to good asset returns and a 13bp increase in discount rate <sup>(2)</sup>

<sup>(2)</sup> Estimated based on data available at March 31, 2010; for accounting purposes the pension plans are not marked-to-market on a quarterly basis



# NCR Historical Pension Overview

(\$ Millions)

| <i>Plan</i>         | <i>Pension Assets</i> |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|---------------------|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                     | 2000                  | 2001            | 2002            | 2003            | 2004            | 2005            | 2006            | 2007            | 2008            | 2009            |
| U.S. Plans          | \$ 3,026              | \$ 2,686        | \$ 2,208        | \$ 2,797        | \$ 3,016        | \$ 3,098        | \$ 3,385        | \$ 3,423        | \$ 2,208        | \$ 2,582        |
| International Plans | 1,514                 | 1,089           | 1,138           | 1,397           | 1,658           | 1,748           | 2,085           | 2,114           | 1,467           | 1,737           |
| <b>Total Plans</b>  | <b>\$ 4,540</b>       | <b>\$ 3,775</b> | <b>\$ 3,346</b> | <b>\$ 4,194</b> | <b>\$ 4,674</b> | <b>\$ 4,846</b> | <b>\$ 5,470</b> | <b>\$ 5,537</b> | <b>\$ 3,675</b> | <b>\$ 4,319</b> |

| <i>Plan</i>         | <i>Pension Liability</i> |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|---------------------|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                     | 2000                     | 2001            | 2002            | 2003            | 2004            | 2005            | 2006            | 2007            | 2008            | 2009            |
| U.S. Plans          | \$ 2,408                 | \$ 2,494        | \$ 2,700        | \$ 2,960        | \$ 3,194        | \$ 3,372        | \$ 3,290        | \$ 3,199        | \$ 3,227        | \$ 3,404        |
| International Plans | 1,185                    | 1,127           | 1,380           | 1,635           | 1,939           | 1,932           | 2,046           | 2,020           | 1,645           | 1,963           |
| <b>Total Plans</b>  | <b>\$ 3,593</b>          | <b>\$ 3,621</b> | <b>\$ 4,080</b> | <b>\$ 4,595</b> | <b>\$ 5,133</b> | <b>\$ 5,304</b> | <b>\$ 5,336</b> | <b>\$ 5,219</b> | <b>\$ 4,872</b> | <b>\$ 5,367</b> |

| <i>Plan</i>         | <i>Funded Status</i> |               |                 |                 |                 |                 |               |               |                   |                   |
|---------------------|----------------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|-------------------|-------------------|
|                     | 2000                 | 2001          | 2002            | 2003            | 2004            | 2005            | 2006          | 2007          | 2008              | 2009              |
| U.S. Plans          | \$ 618               | \$ 192        | \$ (492)        | \$ (163)        | \$ (178)        | \$ (274)        | \$ 95         | \$ 224        | \$ (1,019)        | \$ (822)          |
| International Plans | 329                  | (38)          | (242)           | (238)           | (281)           | (184)           | 39            | 94            | (178)             | (226)             |
| <b>Total Plans</b>  | <b>\$ 947</b>        | <b>\$ 154</b> | <b>\$ (734)</b> | <b>\$ (401)</b> | <b>\$ (459)</b> | <b>\$ (458)</b> | <b>\$ 134</b> | <b>\$ 318</b> | <b>\$ (1,197)</b> | <b>\$ (1,048)</b> |

# Historical Funded Status, Funding and Expense

(\$ Millions)

| <i>Plan</i>         | <i>Funded Status</i> |               |                 |                 |                 |                 |               |               |                   |                   |
|---------------------|----------------------|---------------|-----------------|-----------------|-----------------|-----------------|---------------|---------------|-------------------|-------------------|
|                     | 2000                 | 2001          | 2002            | 2003            | 2004            | 2005            | 2006          | 2007          | 2008              | 2009              |
| U.S. Plans          | \$ 618               | \$ 192        | \$ (492)        | \$ (163)        | \$ (178)        | \$ (274)        | \$ 95         | \$ 224        | \$ (1,019)        | \$ (822)          |
| International Plans | 329                  | (38)          | (242)           | (238)           | (281)           | (184)           | 39            | 94            | (178)             | (226)             |
| <b>Total Plans</b>  | <b>\$ 947</b>        | <b>\$ 154</b> | <b>\$ (734)</b> | <b>\$ (401)</b> | <b>\$ (459)</b> | <b>\$ (458)</b> | <b>\$ 134</b> | <b>\$ 318</b> | <b>\$ (1,197)</b> | <b>\$ (1,048)</b> |

| <i>Plan</i>         | <i>Funded Status %</i> |             |            |            |            |            |             |             |            |            |
|---------------------|------------------------|-------------|------------|------------|------------|------------|-------------|-------------|------------|------------|
|                     | 2000                   | 2001        | 2002       | 2003       | 2004       | 2005       | 2006        | 2007        | 2008       | 2009       |
| U.S. Plans          | 126%                   | 108%        | 82%        | 94%        | 94%        | 92%        | 103%        | 107%        | 68%        | 76%        |
| International Plans | 128%                   | 97%         | 82%        | 85%        | 86%        | 90%        | 102%        | 105%        | 89%        | 88%        |
| <b>Total Plans</b>  | <b>126%</b>            | <b>104%</b> | <b>82%</b> | <b>91%</b> | <b>91%</b> | <b>91%</b> | <b>103%</b> | <b>106%</b> | <b>75%</b> | <b>80%</b> |

| <i>Plan</i> | <i>Pension Funding</i> |       |       |       |        |        |        |       |       |       |
|-------------|------------------------|-------|-------|-------|--------|--------|--------|-------|-------|-------|
|             | 2000                   | 2001  | 2002  | 2003  | 2004   | 2005   | 2006   | 2007  | 2008  | 2009  |
| All Plans   | \$ 62                  | \$ 59 | \$ 55 | \$ 70 | \$ 111 | \$ 110 | \$ 112 | \$ 92 | \$ 83 | \$ 83 |

| <i>Plan</i> | <i>Pension Expense / (Income)</i> |          |         |        |        |        |        |       |       |        |
|-------------|-----------------------------------|----------|---------|--------|--------|--------|--------|-------|-------|--------|
|             | 2000                              | 2001     | 2002    | 2003   | 2004   | 2005   | 2006   | 2007  | 2008  | 2009   |
| All Plans   | \$ (124)                          | \$ (124) | \$ (74) | \$ 105 | \$ 135 | \$ 150 | \$ 145 | \$ 44 | \$ 25 | \$ 159 |

- NCR has experienced significant volatility in the funded status of its pension plans over the years
- NCR's focus moving forward will be to manage and reduce the risk of funded status volatility

# Sensitivity Analysis - US Plans ONLY

(\$ Millions)

## Historical Asset Returns and Discount Rates for US Plan

|                      | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 10 yr<br>avg | 20 yr<br>avg |
|----------------------|------|------|------|------|------|------|------|------|------|------|--------------|--------------|
| <b>Asset Returns</b> | -2%  | -6%  | -12% | 36%  | 15%  | 10%  | 16%  | 7%   | -31% | 28%  | <b>4%</b>    | <b>10%</b>   |
| <b>Discount Rate</b> | 7.5% | 7.3% | 6.8% | 6.3% | 5.8% | 5.5% | 5.8% | 6.3% | 6.3% | 5.8% | <b>6.3%</b>  | <b>7.0%</b>  |

## Projected Funded Status & Contributions - Sensitivity Analysis

| Scenario                         | Annual Equity<br>Returns<br>through 2012 | Discount Rate remains at 5.75%                      |   | Discount Rate increases to 6.5% <sup>(A)</sup>      |   |
|----------------------------------|--|---|---|---|---|
|                                  |  | Projected<br>Contribution in<br>2012 <sup>(B)</sup> | Projected<br>Funded Status<br>12/31/2012 <sup>(C)</sup> | Projected<br>Contribution in<br>2012 <sup>(B)</sup> | Projected<br>Funded Status<br>12/31/2012 <sup>(C)</sup> |
| 3 yr. shift to 100% fixed income | 5%                                       | \$145   | (\$880)   | \$130   | (\$770)   |
| 3 yr. shift to 100% fixed income | 10%                                      | \$125   | (\$775)   | \$115   | (\$670)   |
| 3 yr. shift to 100% fixed income | 15%                                      | \$115   | (\$670)   | \$100   | (\$565)   |

Funded Status as of 12/31/2009 = (\$822)

- (A) Assumes 6% at end 2010, 6.25% at end of 2011, and 6.5% at end of 2012  
 (B) Projected contribution required for US Qualified plan in 2012 (no required contribution expected in 2010 or 2011), also assumes no pension reform legislation  
 (C) Includes the impact of contributions on funded status

# Rationale – Analyzed Various Options

## ➤ Shift pension asset allocation to 100% fixed income by end of 2012

- **Risk of equity exposure in pension plan must be reduced**
  - Size of NCR pension plan (and therefore the associated risk) is disproportionate to the size of NCR
  - Riskiness and volatility of pension plan increases stock price volatility and places a discount on the stock price
  - The US pension plan is closed and the duration of the liability is becoming shorter
- **Shifting over 3 years allows for some additional recovery from the recent market downturn**
  - Potential additional upside in the equity markets and/or benefit from increase in the discount rate

## ➤ Pre-fund of US pension plan analyzed

- **Given NCR's tax position, there is not a compelling financial benefit for NCR to fund early**
  - NCR has minimal near-term U.S. tax liability, so cannot take advantage of accelerating tax deductions by funding earlier than required
  - Similarly, would not be able to take advantage of tax deductions for interest expense (if funded with debt)
- **Inefficient capital allocation**
  - The underfunded pension liability is analogous to unsecured debt of NCR. NCR has no other outstanding debt. We believe we have better investment uses for our cash balances and operating cash flow than choosing to pre-pay debt at the present time
- **Cash flow deployed into business opportunities**
  - No cash funding is projected to be required for the U.S. qualified pension plan in 2010 or 2011
  - A pre-fund now does not materially change required funding in 2012 and 2013

# Pension Legislation Could Provide Relief

## NCR Leading Industry Coalition to Secure Passage of Pension Relief

## Possible Impact of Pension Funding Relief Legislation on NCR

- Two relief options; 2+7 and 15-year vs. current law
- Two options potentially subject to “cash flow rules” (e.g., limits on employee compensation, dividends, and stock redemption)
- Balanced legislation passed in Senate – provides relief; currently bill in House Ways and Means Committee; anticipated closure by Q3 2010

## Possible Impact of Pension Funding Relief Legislation on NCR

| Key Provisions   | Impact on NCR                                    | Conditions  | Status                                     |
|--|--|---|--|
| <b>2+7 vs. Current Law</b>                             | Provides marginal relief. NCR not likely to use. | Senate: 2 yrs of cash flow rules<br>House: 3 yrs TBD  | Senate: passed<br>House: TBD               |
| <b>15-Year vs. Current Law</b>                         | Likely provides meaningful relief for NCR.       | Senate: 5 yrs of cash flow rules<br>House: 3-5 yrs of cash flow rules and “active plan” requirement | Senate: passed<br>House: active plan issue |
| <b>Investment Expenses not Included in Normal Cost</b> | Helpful to NCR.                                  | N/A   | Senate: not addressed<br>House: TBD        |

# 3-Year Vision for NCR

## Core Business

- Leading Financial Solutions provider
- Leading Retail Solutions provider
- Leader in Hospitality, Travel, Gaming and Healthcare Solutions
- Multi-Channel leadership
- Leader in Managed Services; 50% recurring revenue stream
- Sustainable, industry leading cost structure
- Continued significant cash flow production

## Entertainment

- #1 or #2 market share leader in DVD Kiosk Market (US & Intl)
- Physical DVD rental & sell-through; digital download leadership "Automated Retail"
- Market leader in multi-channel distribution of digital media
- High growth; Significant EBITDA; Positive cash flow
- Brand leadership

## Pension

- Under-funded pension position significantly reduced
- Volatility and risk of current pension asset allocation eliminated

# Reconciliation of GAAP to non-GAAP Measures

## Loss from Operations (GAAP) to Non-Pension Operating Income (non-GAAP)

|  | Q1<br>2010     | Q1<br>2009     |
|--|----------------|----------------|
| <b>Loss from Operations (GAAP)</b>                     | <b>\$ (18)</b> | <b>\$ (10)</b> |
| Fox River Environmental Matter, Net                    | -              | 5              |
| Impairment of Equity Investment                        | -              | (5)            |
| Global Headquarters Relocation                         | 5              | -              |
| Pension Expense  | 56             | 38             |
| Non-Pension Operating Income (non-GAAP) <sup>(1)</sup> | <u>\$ 43</u>   | <u>\$ 28</u>   |

## Diluted Loss Per Share (GAAP) to Diluted Earnings Per Share (non-GAAP)

|  | Q1<br>2010       | Q1<br>2009       |
|--|------------------|------------------|
| <b>Diluted Loss Per Share (GAAP)</b>                 | <b>\$ (0.12)</b> | <b>\$ (0.09)</b> |
| Fox River Environmental Matter, Net                  | -                | 0.03             |
| Impairment of Equity Investment                      | -                | (0.03)           |
| Global Headquarters Relocation                       | (0.02)           | -                |
| Pension Expense                                      | (0.25)           | (0.15)           |
| Diluted Earnings Per Share (non-GAAP) <sup>(1)</sup> | <u>\$ 0.15</u>   | <u>\$ 0.06</u>   |

<sup>(1)</sup> NCR reports its results in accordance with Generally Accepted Accounting Principles in the United States, or GAAP. However, the Company believes that certain non-GAAP measures found in this presentation are useful for investors. NCR's management evaluates the Company's results excluding certain items, such as pension expense, to assess the financial performance of the Company and believes this information is useful for investors because it provides a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with past reports of financial results. In addition, management uses earnings per share excluding these items to manage and determine effectiveness of its business managers and as a basis for incentive compensation. These non-GAAP measures should not be considered as substitutes for or superior to results determined in accordance with GAAP.