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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): May 16, 2012**

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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))
- 
-

**Item 7.01 Regulation FD Disclosure.**

Members of the executive team of NCR Corporation (the “Company”) today will make presentations to attendees of the Company’s 2012 Investor Day regarding, among other things, the Company’s business strategy and long-term outlook. A copy of materials to be used in conjunction with the presentations is included as Exhibit 99.1 hereto. The presentation materials and a live audio webcast also will be made available through the Investor Relations page of the Company website (www.ncr.com).

*The information contained in this Current Report on Form 8-K, including Exhibit 99.1, is furnished pursuant to Item 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 exhibit is attached with this current report on Form 8-K:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation Materials of the Company, dated May 16, 2012

**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: May 16, 2012

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

**Index to Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Presentation Materials of the Company, dated May 16, 2012





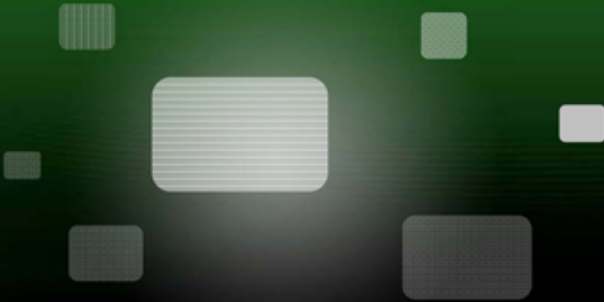
**Gavin Bell**  
Vice President Investor Relations



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## Welcome and Agenda

Investor Day  
May 16, 2012  
New York Stock Exchange



## Note to Investors

Comments made during this event and in the related presentation materials may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements use words such as "seek," "potential," "expect," "strive," "continue," "continuously," "accelerate," and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could." They include statements as to NCR's anticipated or expected results; future financial performance; projections of revenue, profit growth and other financial items, including those set forth in slide 11 of the materials titled "Financial Strategy"; expectations regarding pension metrics and funding obligations, including those set forth in slide 14 of the materials titled "Financial Strategy"; discussion of strategic initiatives and related actions; comments about future market or industry performance; and beliefs, expectations, intentions, and strategies, among other things.

Forward-looking statements are based on management's current beliefs, expectations and assumptions, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR's control. These forward-looking statements are not guarantees of future performance, and there are a number of factors, including those detailed from time to time in NCR's SEC reports, including those listed in item 1a "Risk Factors" of its Annual Report on Form 10-K, that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements. NCR does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The results and cash flows related to NCR's Entertainment line of business have been classified as discontinued operations as of March 31, 2012. Therefore, all financial results and guidance presented during this event and in the related presentation materials, including the financial results and guidance in the materials titled "Reinventing NCR" and "Financial Strategy", have been recast to exclude the Entertainment line of business.

## Note to Investors

While NCR reports its results in accordance with generally accepted accounting principles in the United States, or GAAP, certain materials presented during this event will include “non-GAAP” measures in an effort to provide additional useful information regarding NCR’s financial results. A reconciliation of these non-GAAP measures to comparable GAAP measures and other related information is included in the portion of these presentation materials entitled “Supplementary Non-GAAP Materials” and is available on the Investor Relations page of NCR’s website at [www.ncr.com](http://www.ncr.com). Descriptions of many of these non-GAAP measures, including free cash flow, also are included in NCR’s SEC reports.

NCR’s management evaluates NCR’s results excluding certain items, such as pension expense, to assess the company’s financial performance, 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 NCR’s past reports of financial results. In addition, NCR management uses certain of these measures to manage and determine effectiveness of its business managers and as a basis for incentive compensation. Management’s calculation of the non-GAAP measures included in these materials may differ from similarly-titled measures reported by other companies and cannot, therefore, be compared with similarly-titled measures of other companies. The non-GAAP measures presented during this event should not be considered as substitutes for, or superior to, results determined in accordance with GAAP.

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

# Agenda



Bill Nuti  
Chairman and CEO  
NCR  
Business Strategy



John Bruno  
EVP and CTO  
Innovation  
Services



Peter Dorsman  
EVP ISG  
ISG Overview.  
Emerging Industries,  
Operations and  
Continuous Improvement



Bob Fishman  
CFO  
Financial Overview

## Lines of Business Presentations



Andy Heyman  
GM Hospitality



Michael O'Laughlin  
GM Financial



Scott Kingsfield  
GM Retail Solutions

**Q and A  
Meeting Adjourns**

## Demo





**Reinventing  NCR**

*Reinventing the way consumers  
experience business*

# Bridging back to the 2010 analyst meeting

"We have exceeded or met the expectations we set"

What we forecasted in 2010

What we are on path to achieve



Revenue	NPOI	NON-GAAP EPS
FY '10-FY '13 <b>6-8% CAGR</b>	FY '10-FY '13 <b>15-20% CAGR</b>	FY '10-FY '13 <b>15-20% CAGR</b>
FY '10-FY '12* Guidance <b>12% CAGR</b>	FY '10-FY '12* Guidance <b>23% CAGR</b>	FY '10-FY '12* Guidance <b>19% CAGR</b>

We said FY '13 NPOI% of Revenue would be 9-10% - **our midpoint guidance for FY '12 is 10%\***

We said we would achieve 25%+ gross margins\*\* in the medium term - **our midpoint guidance for FY '12 is 26%\***

**Record \$1B** backlog entering 2012 - highest ever

**24.5% - 28.4%** Services margin expansion from FY '10-FY '12\*

Combined SW, SW maintenance & SaaS revenue in Q1 2012 **>\$120M**, up 65% Y/Y

Combined 2012 SW revenue goal **>\$500M**



# Shareholder Value: Business performance driving growth

## April 2010: Phase I Pension Strategy

### Pension Business

- > Under-funded pension position reduced
- > Volatility and risk of current pension asset allocation significantly reduced
- > Good progress towards pension independence

## 2012: Phase II Pension Strategy

### Progression of Strategies

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

Pension Accounting

Economics

Investor Complexity

Financial Flexibility

~50%  
Stock price increase since 2010

## 2012

### 2-Year Relative Price Performance



Significantly **out performing** peer group and benchmark indices

# On the back of a consistent vision, mission and business strategy

## Our Vision

Lead how the world **connects, interacts, and transacts** with business

## Our Mission

Provide our customers with the next generation of **productivity gains** and **consumer experience** innovation

## Our Business Strategy





# And, what continues to be a successful reinvention



# Translating into consistent business performance: revenue growth, margin expansion and improved customer loyalty



(1) See reconciliation of GAAP to non-GAAP measure in the non-GAAP supplemental materials and/or on the investor relations page of NCR's website.

(2) Gross margin as a percentage of revenue excludes pension and special items. See reconciliation of GAAP to non-GAAP measures in the non-GAAP supplemental materials and/or on the investor relations page of NCR's website.

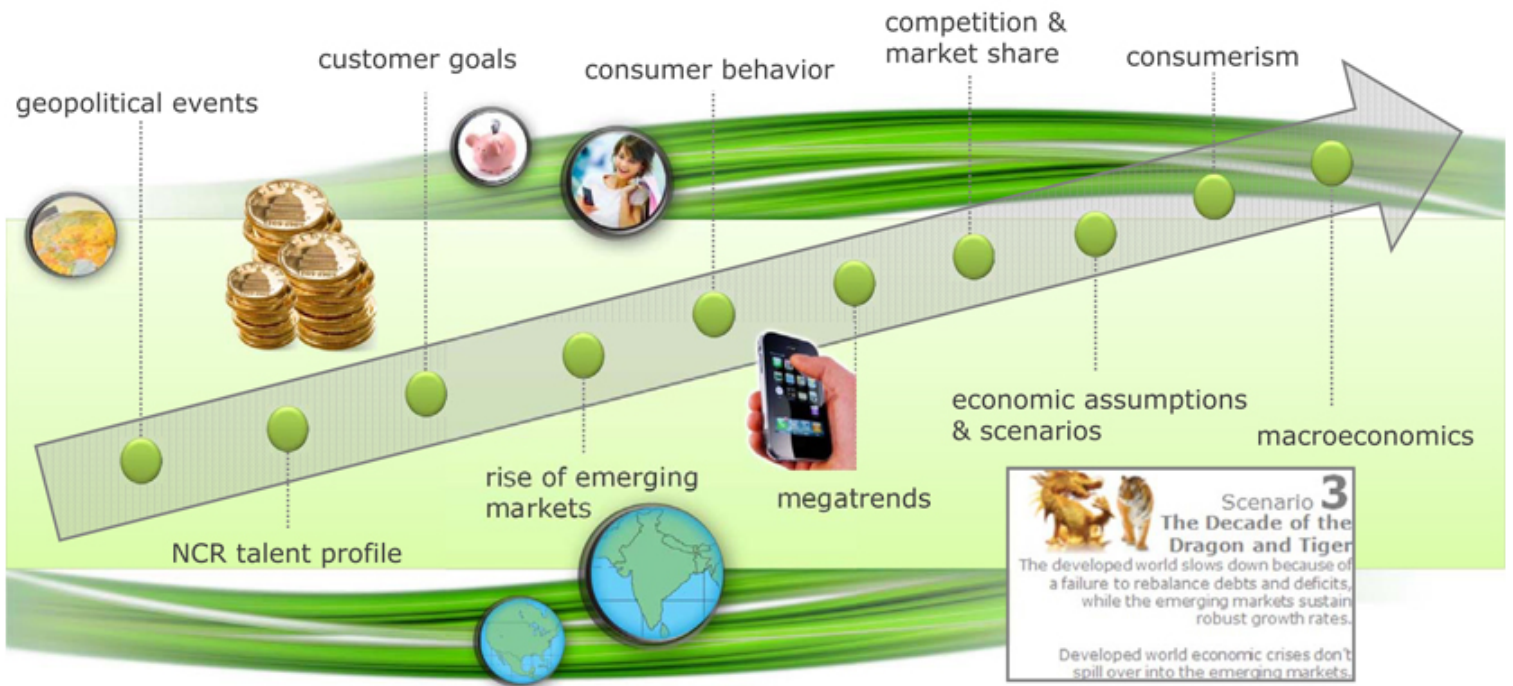
## We have a clear vision for our future: 2015 business model



<sup>(1)</sup> Gross margin as a percentage of revenue excludes pension and special items.

# Architecture for Growth and Margin Expansion

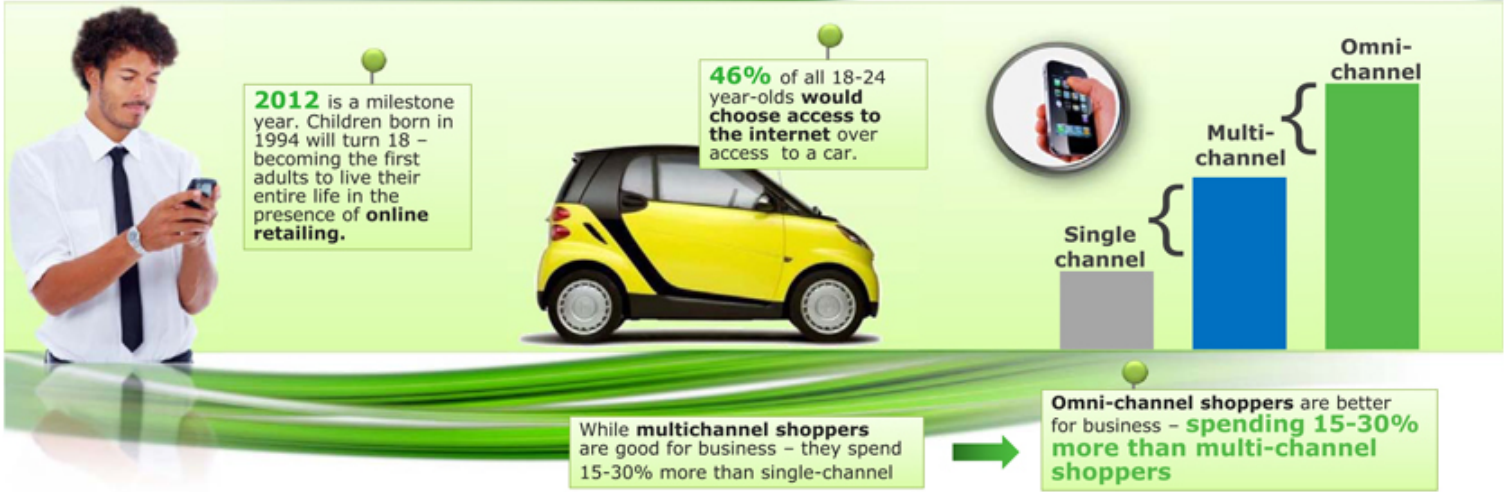




**Our strategy is shaped by the world around us**  
*Our decisions are purposeful*



# Forces of change: "The New Consumer"





# And, while the industries we serve are growing modestly... spending in front office technology is increasing

Despite low-mid single digit growth across our core industries



Retail sales growth of **3.4** percent this year, down from **4.7** percent in 2011



Spending on banking technology will grow to **\$132B by 2015** – a **24%** average annual increase

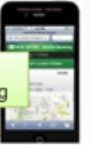


Spending on retail technology will grow to nearly **\$21B in 2014** – from **\$14.8B in 2009**

...we are anticipating the demand with new solutions



**New solution:**  
APTRA Mobile Banking



**New solution:**  
NCR Silver

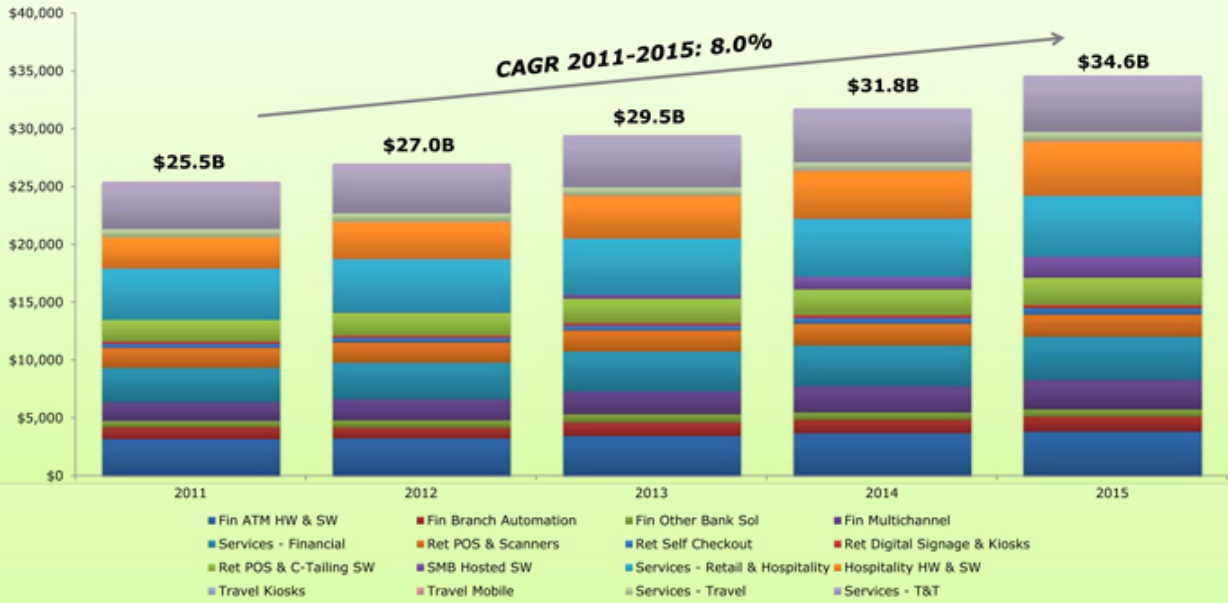


Smartphone spend grew **46** percent from 2010 followed by tablets and software.

Source: Ovum's "Retail Banking Technology Spending Model Through 2015" report - January 2011; ABI Research "Spending on Retail Technology Systems will exceed \$20B in 2014" - March 2010



# Our Addressable Market: Growing faster than the markets we serve



# The market is coming toward us:

*And we are capitalizing*



For the **10<sup>th</sup>** consecutive quarter we have exceeded analyst expectations

At the close of Q1 2012 **we raised 2012 guidance** to 11-13% revenue growth

# DISRUPTIVE INNOVATION

Hardware-enabled, Software-driven Business  
**TRANSFORMATION**



“Anything that  
won't sell, I don't  
want to invent.”

Thomas Edison  
(1847 – 1931)

**John Bruno**

CTO and EVP Corporate Development



 **REUTERS**

**NCR makes the list of world's  
100 most innovative companies**



# HOW WE DEFINE

## DISRUPTIVE INNOVATION

½ the cost

- Parts Reduction
- Value Engineering
- Product Cost Reduction
- Component Reuse
- 'Platforming'



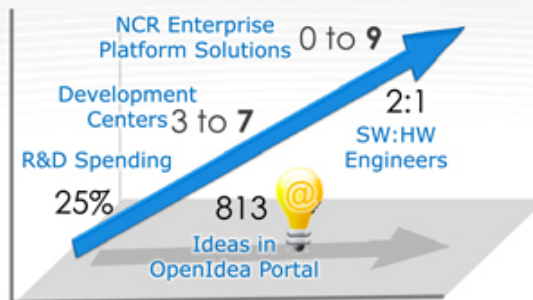
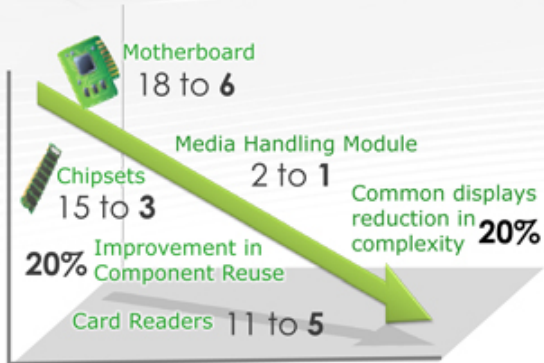
2x the quality

- Remote Diagnostics
- DFx
  - Design for Serviceability
  - Design for Manufacturability
  - Design to 'Win'
- Comprehensive Quality Metrics and Process

4x the customer value

- Increase Our Points of Service (Cost = Growth)
- Increase the Adoption Rate of Our Software Offers (Per Site, Per Customer and with New Customers)

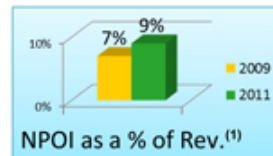
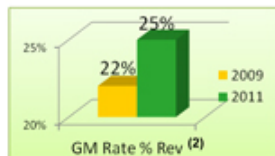
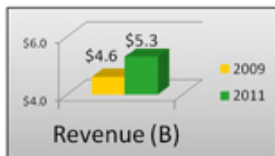
# HOW WE OPERATIONALIZE DISRUPTIVE INNOVATION



Increased focus on

- ✓ Time-to-Market
- ✓ 'Platforming'
- ✓ New Product Introduction (NPI)

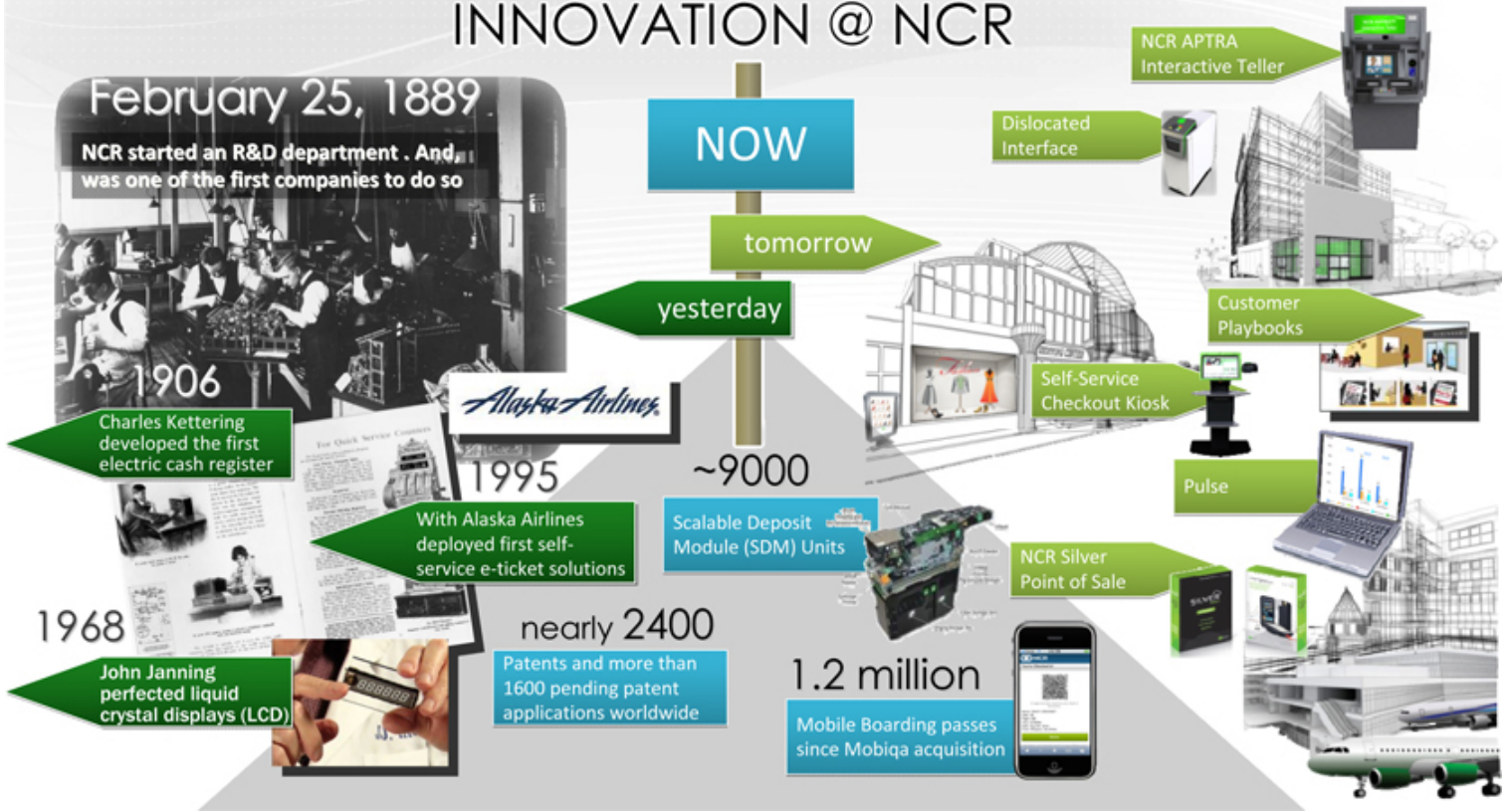
## Contributing to our financial performance



**~\$500M product cost savings since 2009**

(1) See reconciliation of GAAP to non-GAAP measure in the non-GAAP supplemental materials and/or on the investor relations page of NCR's website.  
 (2) Gross margin as a percentage of revenue excludes pension and special items. See reconciliation of GAAP to non-GAAP measures in the non-GAAP supplemental materials and/or on the investor relations page of NCR's website.

# INNOVATION @ NCR





# MEGATRENDS & CONSUMER BEHAVIOR INFORM OUR R&D STRATEGY

Someone on LinkedIn with just 170 contacts has the potential to connect with and influence more than

**2.1 MILLION PEOPLE**



**Socially Empowered**

Generation Y represents more than

**1.7 BILLION CONSUMERS WORLDWIDE**



**750 MILLION**

users globally on Facebook

**MASTERCARD INTRODUCES DIGITAL WALLET**

"Merchants want flexibility to easily accept digital payments so they can convert more browsers to buyers."

~ Ed McLaughlin,  
chief emerging payments officer of MasterCard

**Multi-industry focus**

**Secure Payment Transactions**



**Smartphone owners now the majority**

**50.4%**

**OF U.S. MOBILE SUBSCRIBERS OWN A SMART PHONE**

Says a Nielsen survey



**6 BILLION TEXT MESSAGES SENT AND RECEIVED PER DAY**

**Mobile Enabled**



**OMG!**





# COLLABORATIVE INNOVATION

## BEING A BETTER INNOVATOR

Means being a better partner

- Financial Services
- Retail
- Hospitality
- Travel



# MERGED CHANNEL

Financial Services

Hospitality

Improved Time-to-Market

**CUSTOMER VALUE PROPOSITION**

End-to-End Closed Loop Marketing  
Transaction Ownership

Common Maintenance

Travel

Retail

**HARDWARE-ENABLED SOFTWARE-DRIVEN**



# WHY CUSTOMERS LOOK TO US TO

## INNOVATE

300M transactions  
per day...  
that translates to

**209,683**  
PER  
MINUTE



At your service every day and around the world

# GETTING IT RIGHT

## SCALABLE DEPOSIT MODULE (SDM)



### Travel

Self and Mobile Check-in

### Hospitality

Restaurant Guard

### Retail

Self-checkout



**125 CUSTOMERS**

SAFE FEDERAL CREDIT UNION OF SUMTER SC, BANKUNITED, INTRUST BANK OF WICHITA KS, ER...  
 CREDIT UNION, VANTAGE CREDIT UNION, EDWARDS FEDERAL CREDIT UNION, LOCKHEED FEDERAL CREDIT UNION, AFFINITY FEDERAL CREDIT UNION OF BEDMINSTER NJ, ASSOCIATED BANK CORP OF STEVENS POINT WI, SERVICE CREDIT UNION OF PORTSMOUTH NH, MENDO LAKE CU, LINDELL BANK & TRUST COMPANY, LANGLEY FEDERAL CREDIT UNION, COOP SERVICES CREDIT UNION, CENTRAL UNIONAL BANK OF...  
 NCTION CITY KS, NOR...  
 THROP GRUMMAN F...  
 FEDERAL CREDIT UNIO...  
 N, GREAT WESTERN B...  
 ANK, SIORSKY FCU, A...  
 AMERICAN RIVER BAN...  
 K OF SACRAMENTO C...  
 A, PHILADELPHIA FED...  
 ERAL CREDIT UNION...  
 UNION FIRST MARKET...  
 BANK, FIRST COMMU...  
 NITY NATIONAL BANK...  
 OF STE ELVILLE MO, B...  
 RANCH BANK NG & T...  
 RUST OF WINSTON SA...  
 LEM NC, LONE STAR N...  
 ATIONAL BANK OF PH...  
 ARR, FOOTHILL FEDER...  
 AL CREDIT UNION OF...  
 ARCADIA CA, BANKER...  
 S TRUST OF DESMOIN...  
 ES IA, KINEC TA FED...  
 ERAL CREDIT UNION OF...  
 MANHATTAN BEACH...  
 CA, SOUTHSIDE BANK...  
 TX, SUSSEX COUN TY...  
 FCU, GUARANTY BOW...  
 D BANK OF MOUNT P...  
 LEASANT TX, PROGRE...  
 S SIVE SAVINGS BANK...  
 OF JAMESTOWN TN...  
 VELO CITY COMMUNI...  
 TY CREDIT UNION, N...  
 O ROTHER FCU, BELL...  
 WETHER COMMUNIT...  
 Y CREDIT UNION, BR...  
 O THERHOOD BANK...  
 & TRUST OF KANSAS...  
 OF SPRINGFIELD IL, FL...  
 USHING BANK, VERID...  
 AN CREDIT UNION, FI...  
 DELITY BANK OF WIC...  
 HITA KS, SAN FRANCIS...  
 CO FIRE FCU, FIRST TE...  
 NNESSEE BANK OF M...  
 EMPHIS TN, FIRST DA...  
 TA MERC HANT SERVI...  
 CES CORP, NASA FCU...  
 UNITED BANK OF MIC...  
 HIGAN, LOS ANGELES...  
 POLICE FEDERAL CRE...  
 DIT UNION, SOUTHW...  
 EST MISSO URI BANK...  
 OF CARTHAGE MO, S...  
 AN FRANCISCO POLIC...  
 E CREDIT UNION, PAL...  
 METTIO CITIZENS FED...

**~9000 UNITS SOLD**

ERAL CREDIT UNION, BANK OF HAWAII OF HONOLULU HI, ARVEST BANK OPERATIONS, CITY NATIONAL BANK OF CHARLESTON WV, PEOPLES SAVINGS BANK OF URBANA OH, COASTAL FEDERAL CREDIT UNION OF RALEIGH NC, SOVEREIGN BANK OF WYOMISSING PA, FNB OF PENNSYLVANIA, CEDAR

# COMING SOON

**SILVER**  
POINT OF SALE



**INTERACTIVE TELLER**



**MOBILE CAPTURE**



**PULSE**



# DISRUPTIVE INNOVATION

**SUSTAINABLE  
LONG-TERM**

**VALUE  
CREATION**

Merged Channel



Consumer Experience  
and Design



Contemporary  
Business Models  
(C2B)



**NCR  
Enterprise Platform**

Public &  
Private Clouds



**Peter Dorsman**  
Executive Vice President



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**Industry Solutions Group**

Lines of Business

Investor Day  
May 16, 2012

New York Stock Exchange

# NCR's Lines of Business



Financial Services



Retail



Hospitality



Travel



Telecom and Technology



Healthcare



Entertainment



# Leverage our Core Competencies

Point of Service Integration

Secure Payments

Cash and Cashless Transactions

Mobile Technologies

Consulting, Implementation and Maintenance Services



# Mega Trends



**Macro Economic  
Conditions**



**Regulatory  
Environment**



**The Changing Consumer**

# Driving the Need for Change

Front-end business transformation and the shift of capital spending to support it.

Achievement of next generation productivity gains and lower costs.

Integrated and synchronized multi-channel experience.



## Front-end Business Transformation (Financial Services)

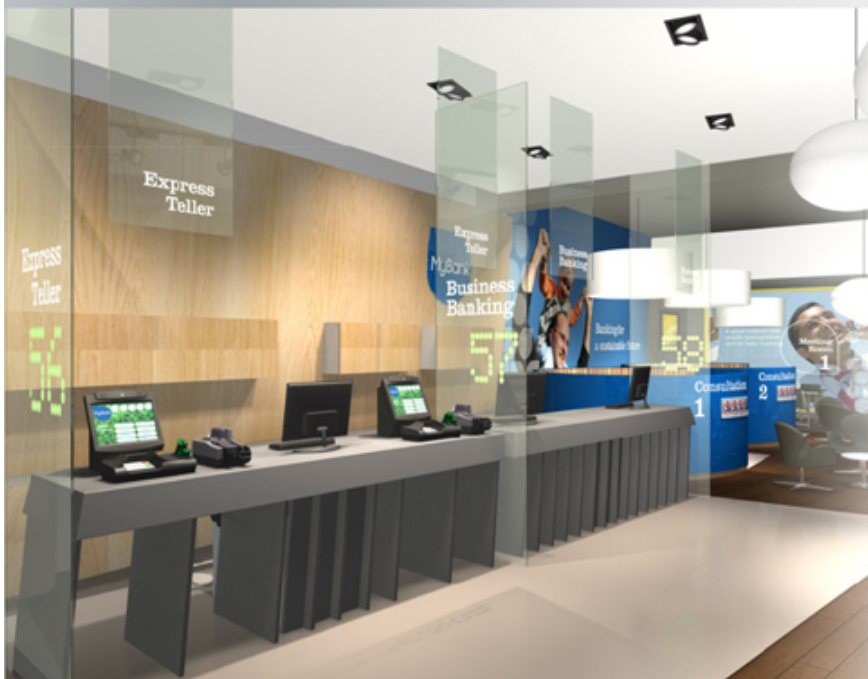
Improve the effectiveness of branches

Create new delivery formats including smaller branches, video enablement, kiosks and multi-function ATM's

Change the processes associated with the branch banking experience

Improve customer experience and access





### Technology alone is rarely the key to unlocking economic value:

companies create real  
wealth when they combine  
technology with new ways  
of doing business.

Source: McKinsey Quarterly.com



# Integrated and Synchronized Multi-channel Experience



- ✓ Point of Service
- ✓ Mobile
- ✓ On-line
- ✓ Social Media



# Multi-channel Businesses are Rewarded by Consumers

"Customers are multi-channel creatures and they will no longer tolerate inconsistent experiences across a financial institution's delivery channels."



The average multichannel shopper spends 6 times more than a single-channel shopper

Source: Forrester

**73%** of travelers would be more likely to choose a travel provider that offered them greater control over managing their entire travel experience through self-service.

Source: Buzzback research



# NCR is Uniquely Positioned



# Transforming How Main Street Small Businesses Operate

"We're helping retailers know what inventory they need, when they need it, and what price it needs to be at."

- Fast Company





**Andy Heyman**  
SVP & GM, Hospitality



At your service every day and around the world

Hospitality Strategy

Investor Day  
May 16, 2012  
New York Stock Exchange



**> What is our market?**

**> Why do restaurants buy from us?**

**> How do we maximize our opportunity?**

**> What results will the strategy achieve?**



**What is our  
market?**

OFFEE





Quick Service  
Restaurants



Fast Casual



Theaters



Table Service  
Restaurants



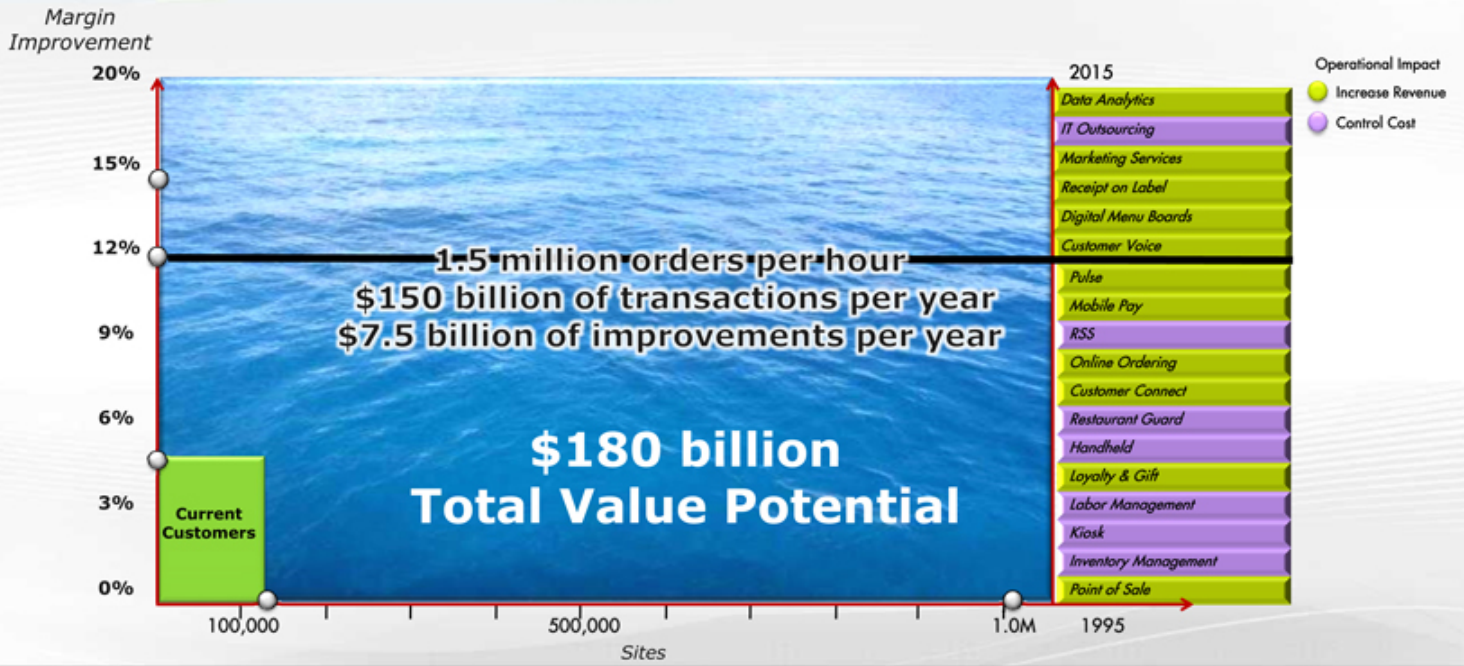
Sports Venues

50% available to NCR

2 million F&E Sites in the World

\$5B

# Our Value Potential



Source: NCR Internal data and customer feedback



**Why do  
restaurants  
buy from us?**



# \$1M Restaurant\*

	Average Restaurant	NCR Improvements	Results
Guests	100,000/year	2,000/year	102,000
Spend	\$10/guest	\$1/guest	\$11/guest
<b>Total Sales</b>	<b>\$1M</b>	<b>\$122,000</b>	<b>\$1,122,000</b>
Food Costs	30% \$300,000	-2% (\$22,440)	28% \$314,160
Labor Costs	30% \$300,000	-2% (\$22,440)	28% \$314,160
IT Costs	2% \$20,000	-0.50% (\$5,610)	1.5% \$16,830
OH Costs	33% \$330,000	0% (\$0)	33% \$330,000
Profit	5% \$50,000	4.50% \$56,590	9.5% \$106,590



\* Hypothetical results of investment in NCR Hospitality solutions by restaurant with \$1M in annual revenues; based on NCR internal data and customer feedback.





**How do we  
maximize our  
opportunity?**



# The Foundation

## New Site

2011: \$265M



## Recurring

2011: \$217M



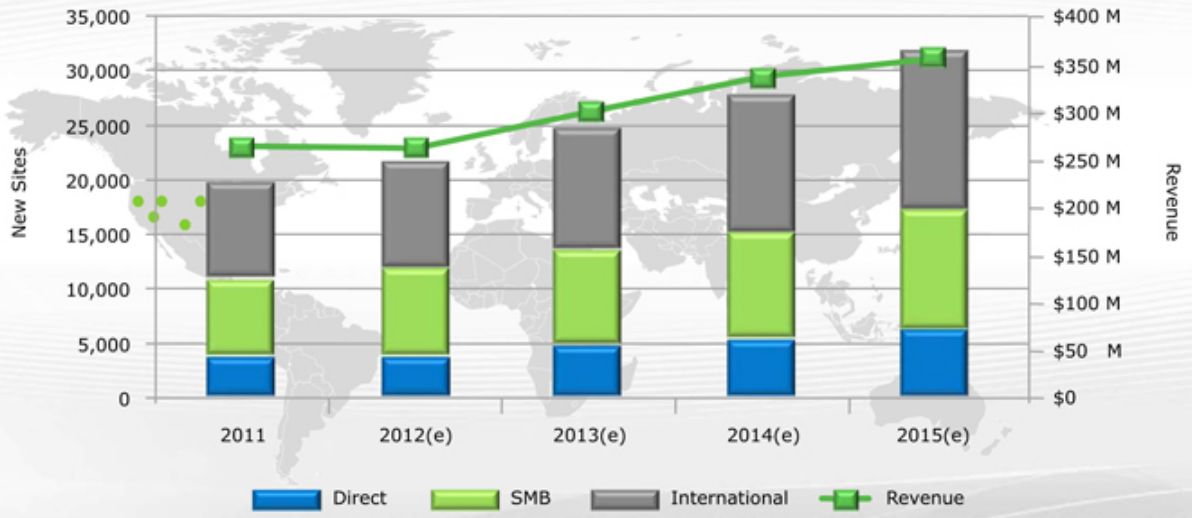
Year	New Sites			Recurring			Results
	New sites	\$ per site	Total	New Sites	\$ pspm	Total	
2011	20,000	\$13,250	\$265M	125,000	\$145	\$217.5M	\$482.5M

# New Site Strategy

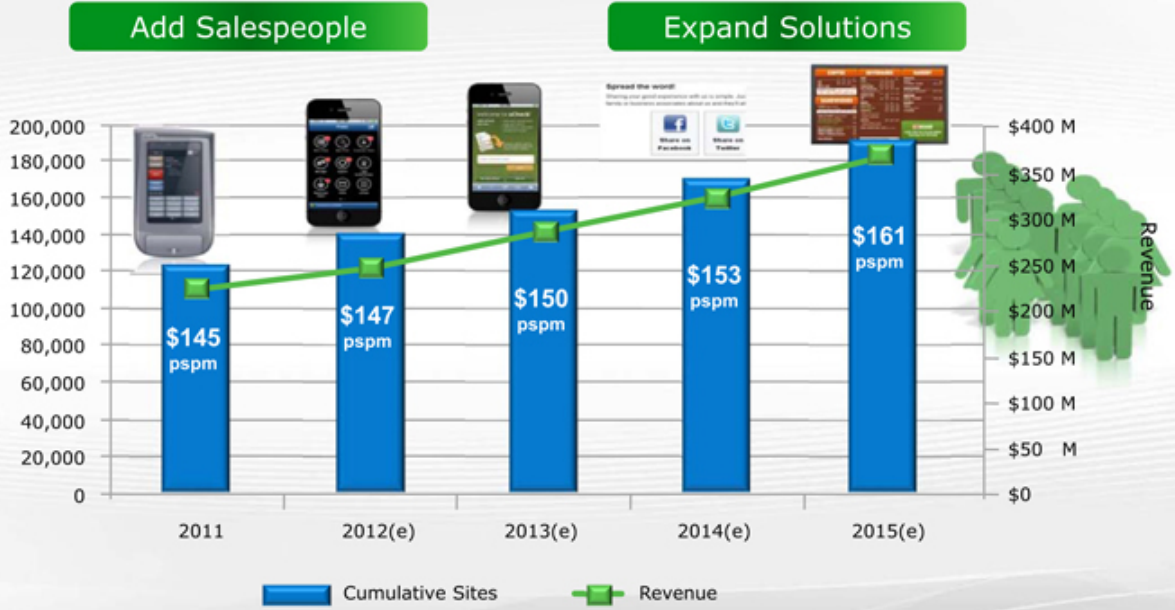
Increase Adoption


Deepen SMB Presence

Expand Globally



# Recurring Strategy



A photograph of a man in a blue soccer jersey with white accents, cheering enthusiastically with his mouth open. He is holding a large cup of popcorn and a red cup. In the background, other fans are visible, some holding up phones and signs, suggesting a stadium or sports event setting.

**What results  
will the strategy  
achieve?**

# Takeaways

2012-2015

Significant opportunity that is growing

Unique and proven value proposition

Growth strategy which delivers consumer and customer trends





**Michael O'Laughlin**  
SVP & GM, Financial Services



At your service every day and around the world

## Financial Services Strategy

Analyst Day  
May 16, 2012  
New York Stock Exchange





# A Global Perspective from a Global Business

## North America

- Branch transformation
- Remote data capture
- Intelligent deposit
- Multichannel convergence
- Growing replacement market
- Predictive Services

## Western Europe

- Intelligent deposit
- Branch transformation
- Multichannel software solutions
- Financial kiosk
- Growing replacement market
- Logical and physical security

## Eastern Europe

- Bill payment & Financial Kiosk
- Intelligent Deposit
- ATM penetration below European averages
- Network expansion is driving increased interest in Management systems and managed services

## Caribbean & Latin America

- Capitalize on Brazilian investments to target new opportunities
- Introduction of Intelligent Deposit
- Managed services growth with introduction of Apra™ Vision, SW Distribution, SW Security

## Middle East & Africa

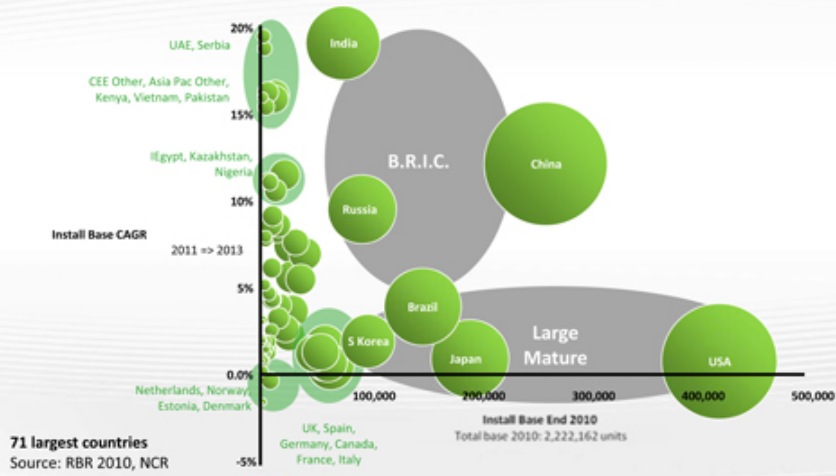
- Intelligent Deposit
- Bill payments
- Mobile Solutions
- Remittance solution
- Managed Services Distributer enablement

## Asia

- Cash Dispenser growth in Southeast Asia
- China Pocket Recycling
- Multichannel software solutions
- Cash Deposit growth
- India Cash Dispense outsourcing

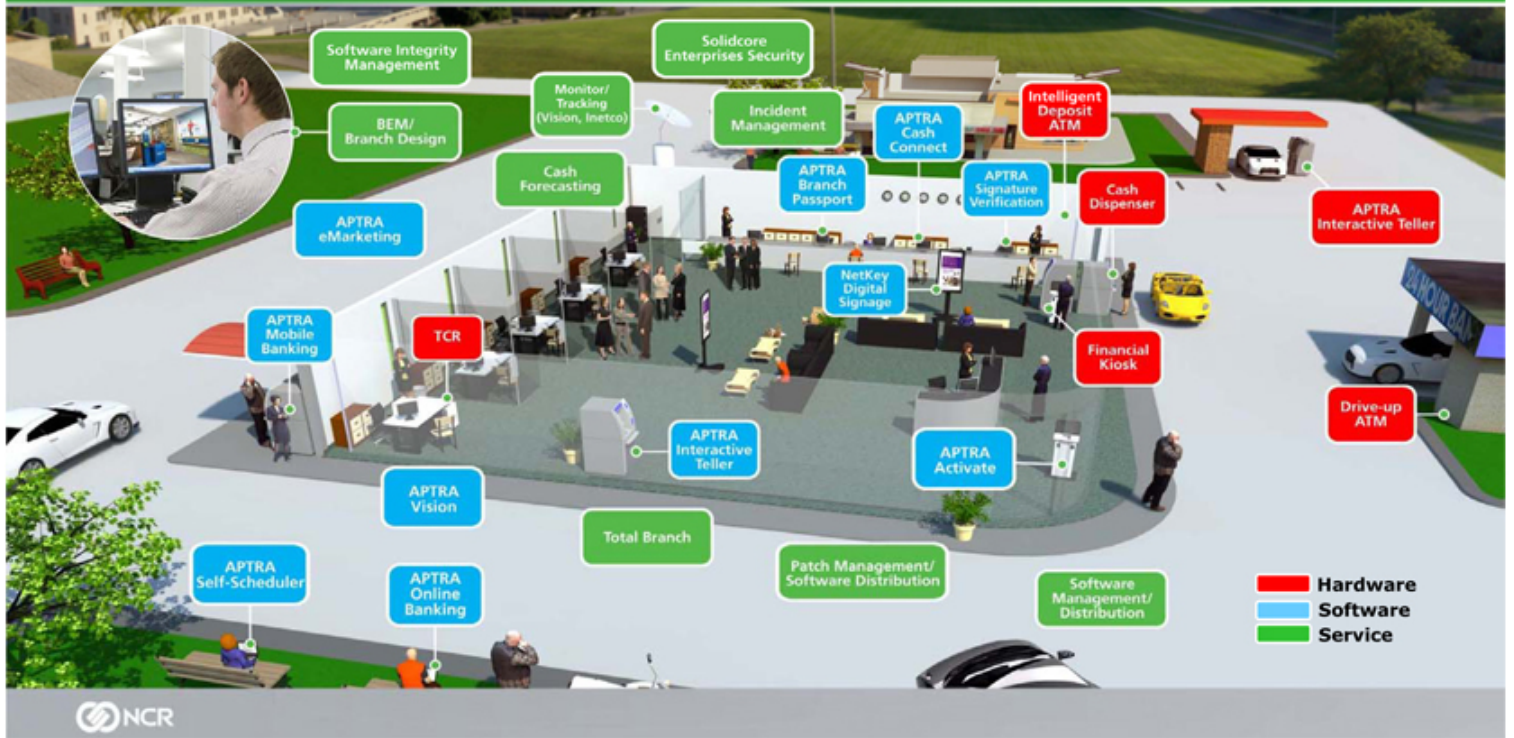
# ATM Shipment View: Markets that Will "Move the Needle"

➤ Size of Circle = **Total ATM Shipments 2011-2013**  
**Total Shipments = 1,058,240**  
**units**



➤ **Top-15 = 77% of base, 78% of shipments**

# Delivering an Integrated Customer Experience



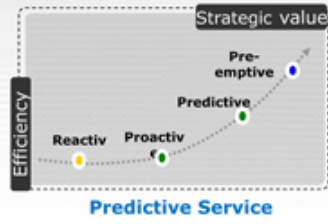
# Innovation is Driving Growth



Branch Transformation



Dual Roll



Predictive Service



NCR Interactive Teller



2ST



Mobile Data Capture



Iconic ATM



Scalable Deposit Module



Dislocated interface



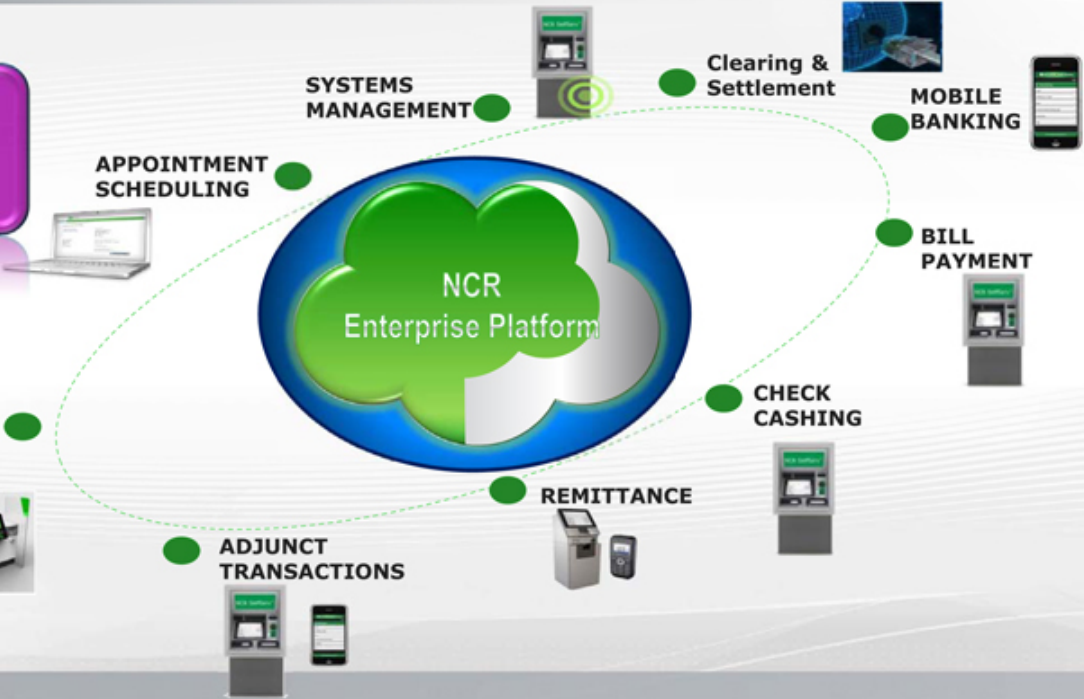
Drive-thru Authentication & Staging



# NCR Enterprise Software Platform

Global Leader in:

- Multivendor software
- ATM management
- Payment systems



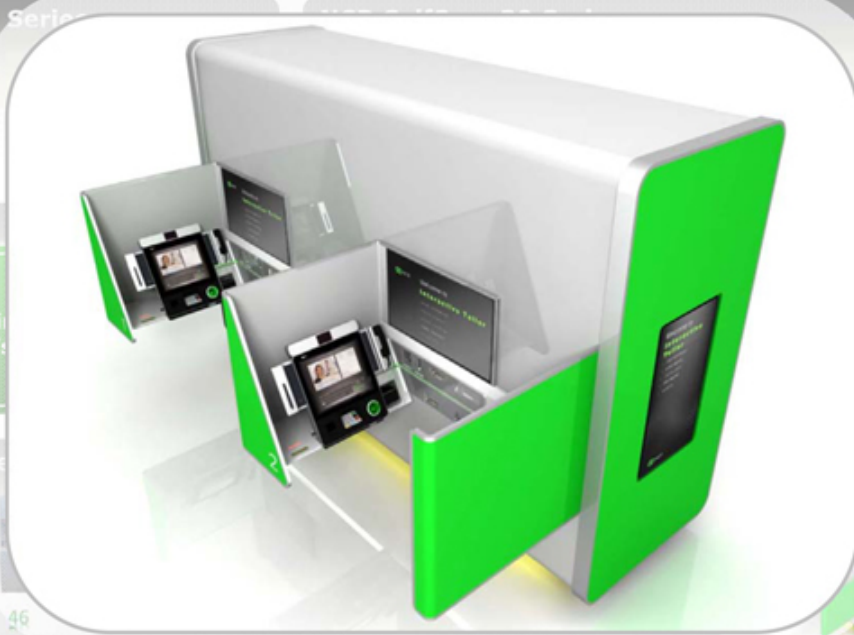
# ATM SelfServ Solutions

NCR SelfServ 20 Series



Global leader in ATM's

Emerging Market



Designed to emerging markets

Integration





# NCR Financial Services Solution Portfolio

**Global Leader in:**

- Managed Services
- Multivendor Support
- Service Innovation

## CASH MANAGEMENT & FORECASTING



## MULTI-VENDOR MAINTENANCE



## TOTAL PREMISE SERVICE



## PREDICTIVE SERVICE



## FIRST & SECOND LINE MAINTENANCE

NCR @ Your Service



## INCIDENT MANAGEMENT & HELP DESK



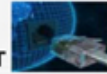
## Hosted & SaaS Solutions



## LOGICAL SECURITY



## PATCH MANAGEMENT



## SOFTWARE DISTRIBUTION



# Financial Services Market Leader

## > ATM's

- No. 1 US ATM provider
- No. 1 Global ATM install base & shipments



## > Advanced Functionality

- ATM Multivendor Middleware & Apps: No. 1 US & Global
- Automated Deposit: No. 1 US & Global
- TCR Middleware: No. 1 Global



## > Financial & Service Industries

- A leader in item processing, 8 of top 10 US banks
- Top 5 in FinTech Top 100 Global Solution Providers to the Financial Industry
- Top 10 in 2011 IAOP Global Outsourcing 100™



Sources: RBR Research, Phoenix ESP Consulting, American Banker, IAOP



**Scott Kingsfield**  
SVP & GM, Retail Business



At your service every day and around the world

Retail Strategy

Analyst Day  
May 16, 2012  
New York Stock Exchange



# Agenda

NCR Retail – Expand our Value Proposition

The Self Checkout Evolution

NCR Silver – Back to the Future



# NCR Converged Retailing





# Transforming Retail





## Expanding our Value Proposition – The Consumer

**Give me control  
of the shopping  
experience**

**Know my  
preferences**

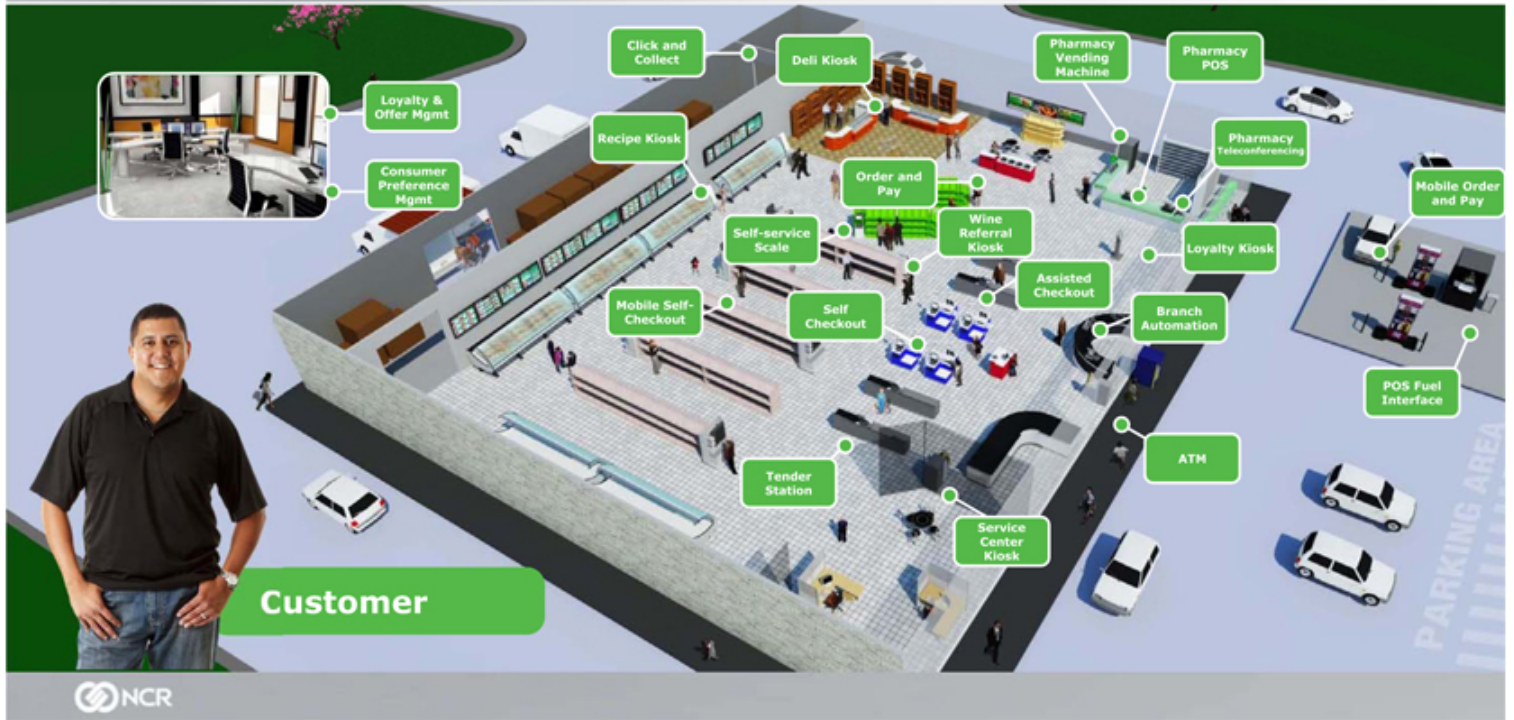
**Reward my  
loyalty**

**Make my visit  
fast and  
convenient**

**Customer**



# The Store is Evolving... NCR is Leading



## Expanding our Value Proposition – The Store



**Make it easier to run my business**

**I need to improve productivity and reduce costs**

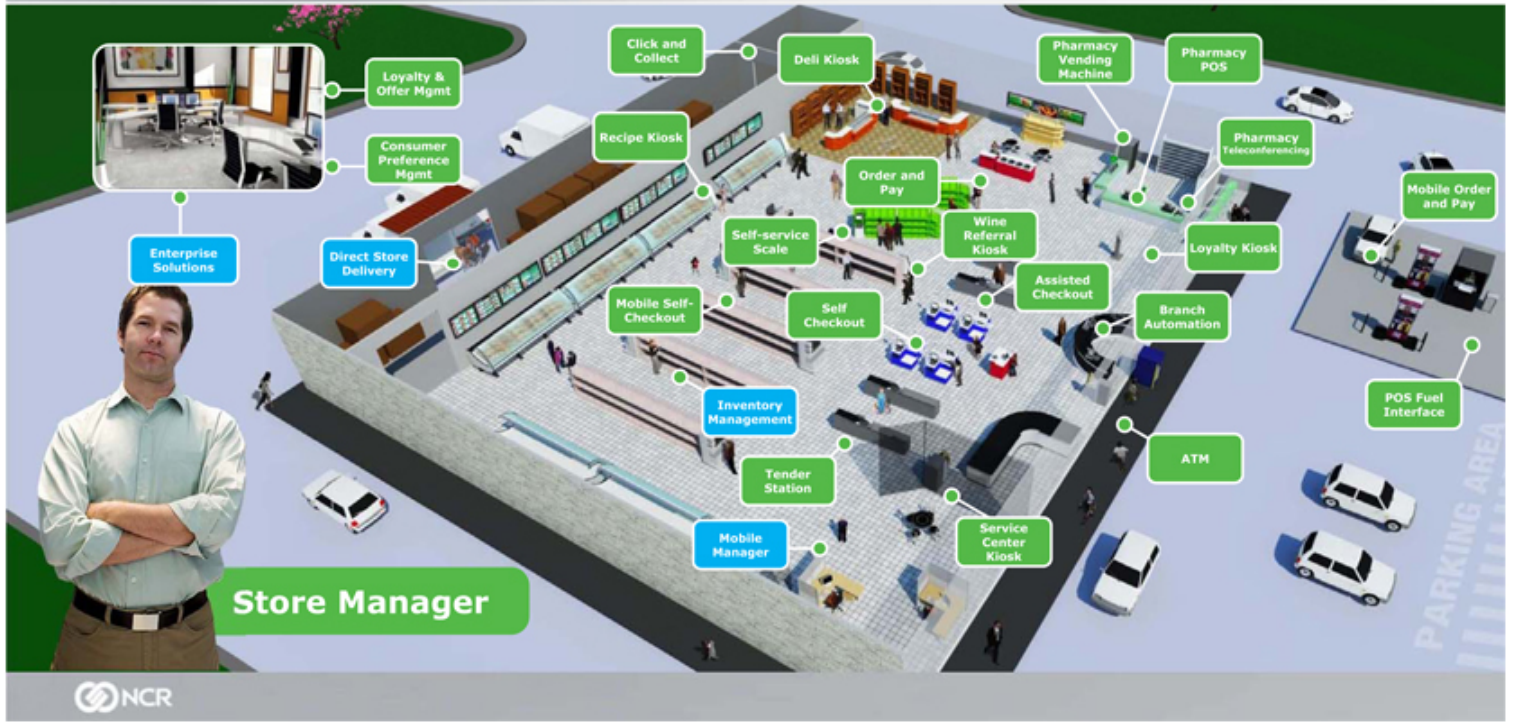
**I need to meet the demands of my customers**

**I need to grow customer wallet share**

**Store Manager**



# The Store is Evolving... NCR is Leading



## Expanding our Value Proposition – The CIO

**I need to support solutions across all channels**

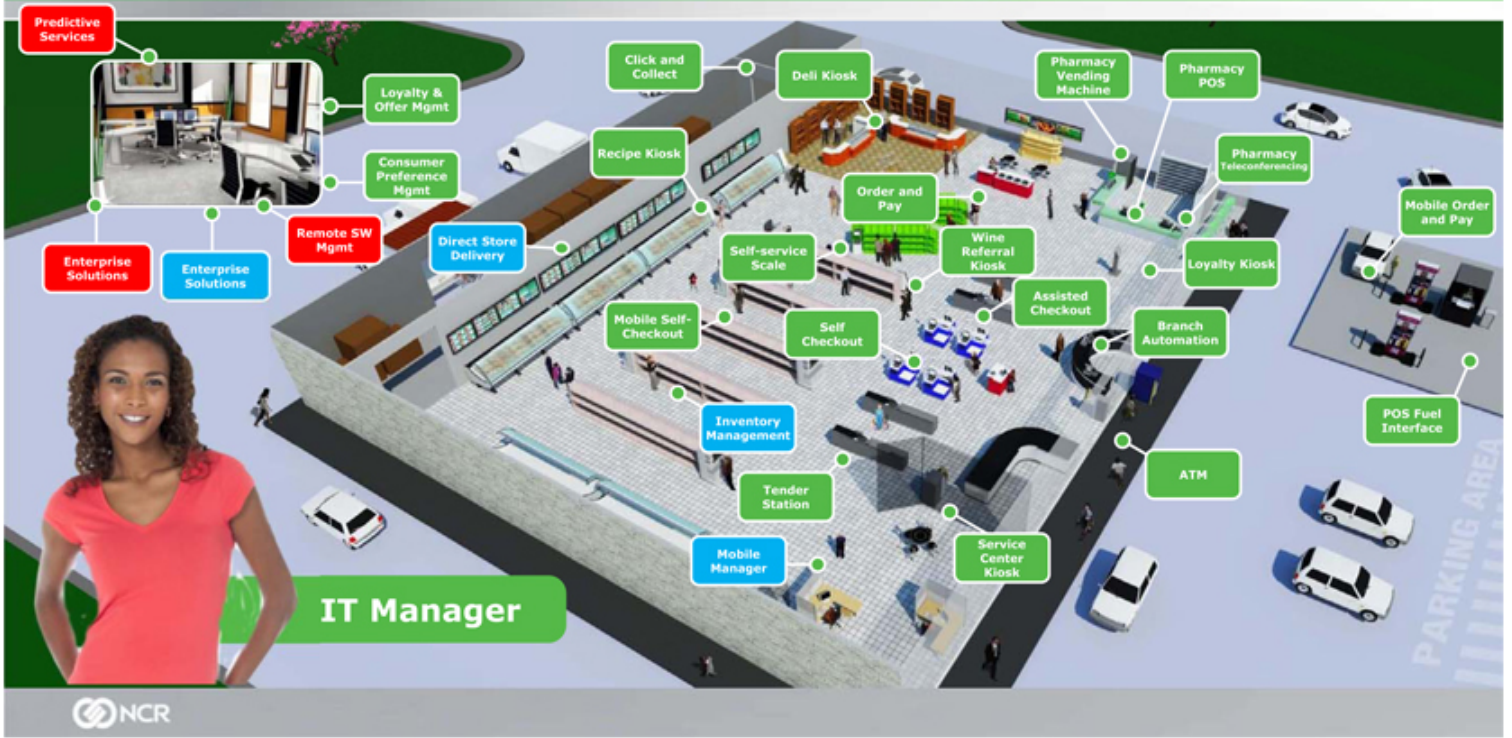
**I need to protect customer data**

**I need to maximize uptime**

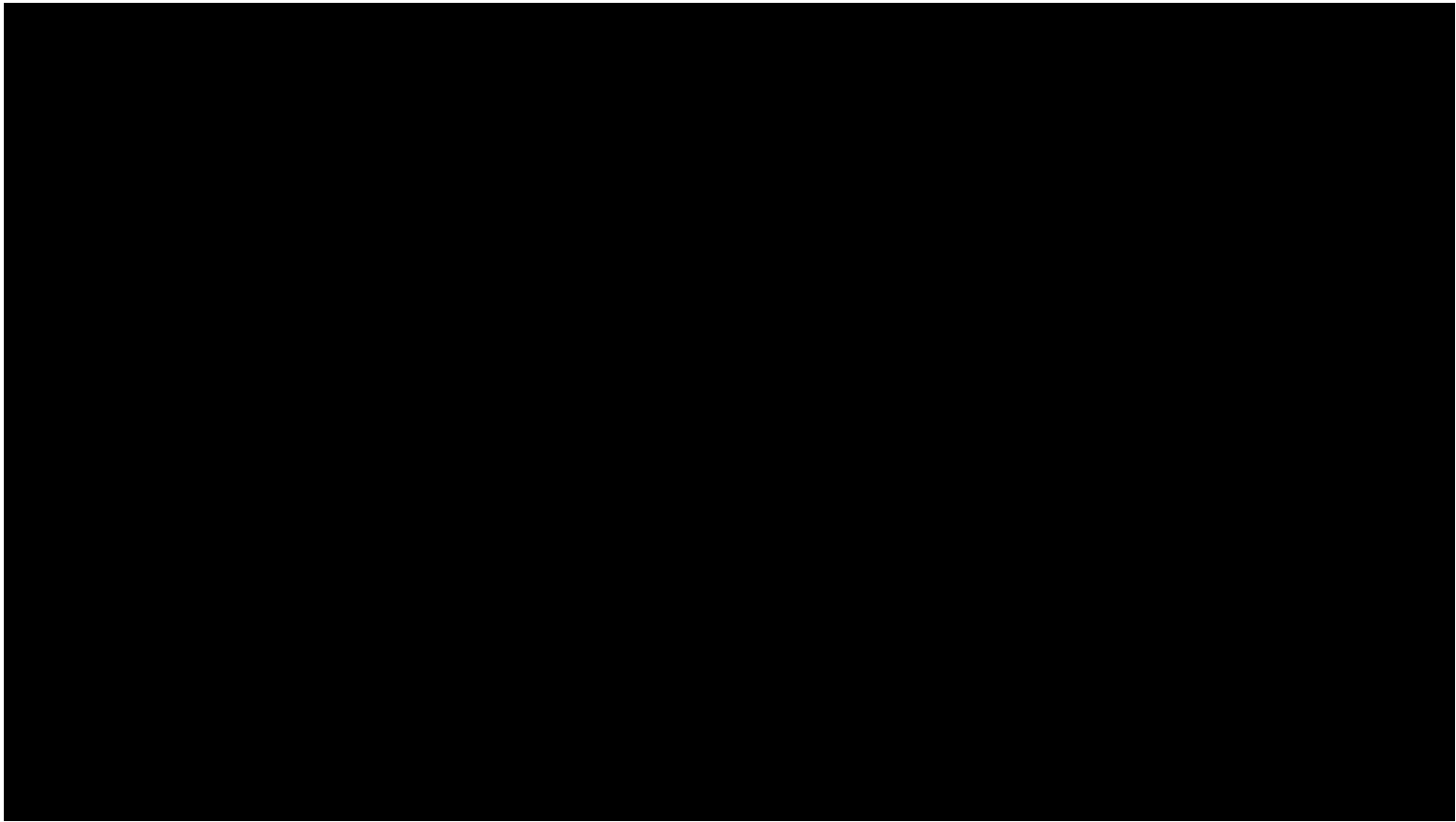
**I need to support multiple locations**

**IT Manager**

# The Store is Evolving... NCR is Leading

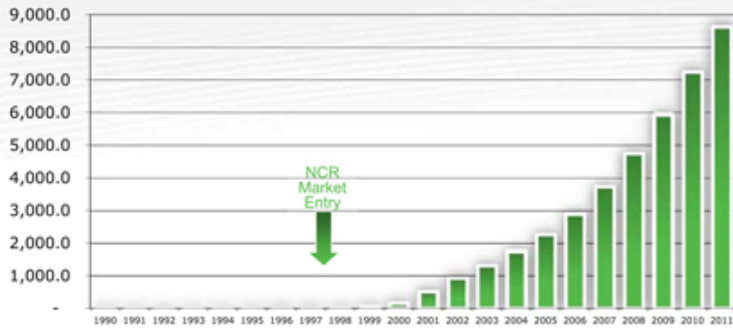




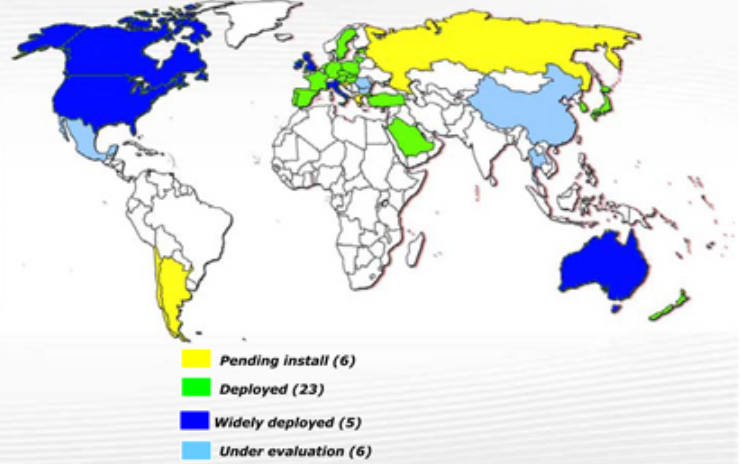


# SelfServ Checkout Momentum

Total Global Self-Checkout Transactions (Millions)



NCR SelfServ Checkout Global Expansion



NCR ships 2 out of 3 Self-checkout units worldwide

# The Self Checkout Evolution



Common SelfServ Checkout Application



Express Configuration



SSCO Kiosk

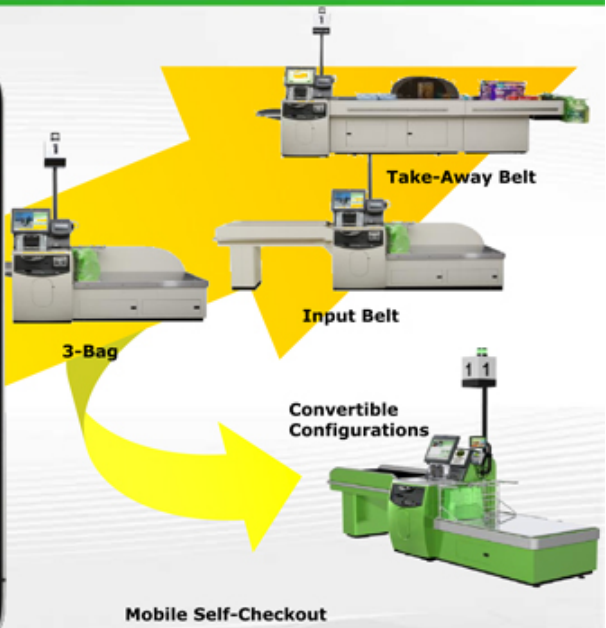
Single-Window Scanner Card-Only



SelfServ CashPay




Single-Window Scanner Cash, No-Scale





# Back to the Future – NCR Silver



A smiling woman with blonde hair, wearing a dark blue ruffled shirt, is sitting at a counter in a bakery. In front of her is a tablet. To her left is a two-tiered teal cake decorated with white and yellow flowers. The background shows various pastries and a display case.

## Our Mission:

To help a small business easily run their business, connect with customers and sell anywhere

**SILVER**  
POINT OF SALE +

 **NCR**

# Silver Target Market

No store



Away from store



Near store



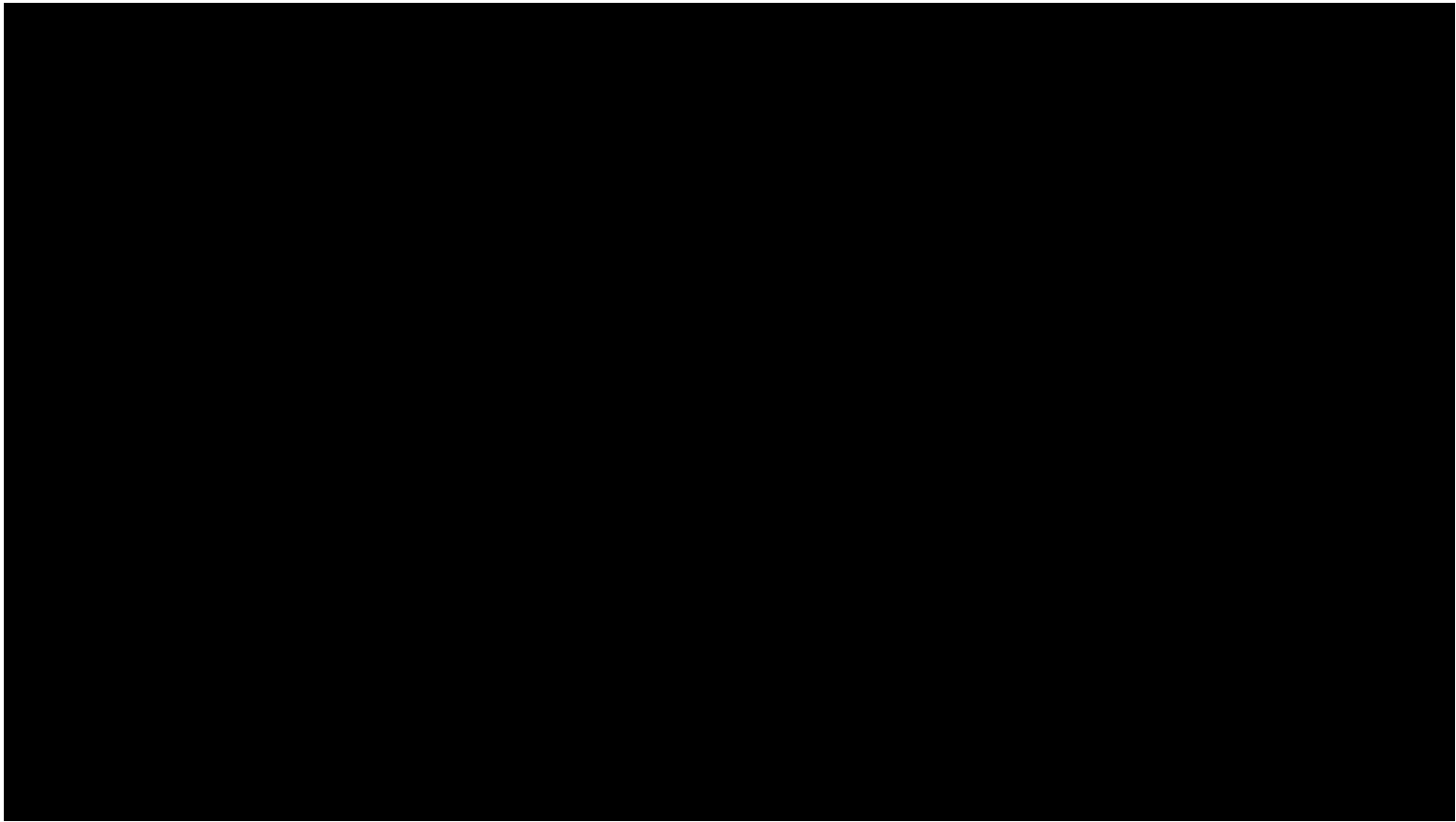
In store



Service provider

Retailer





8,000,000

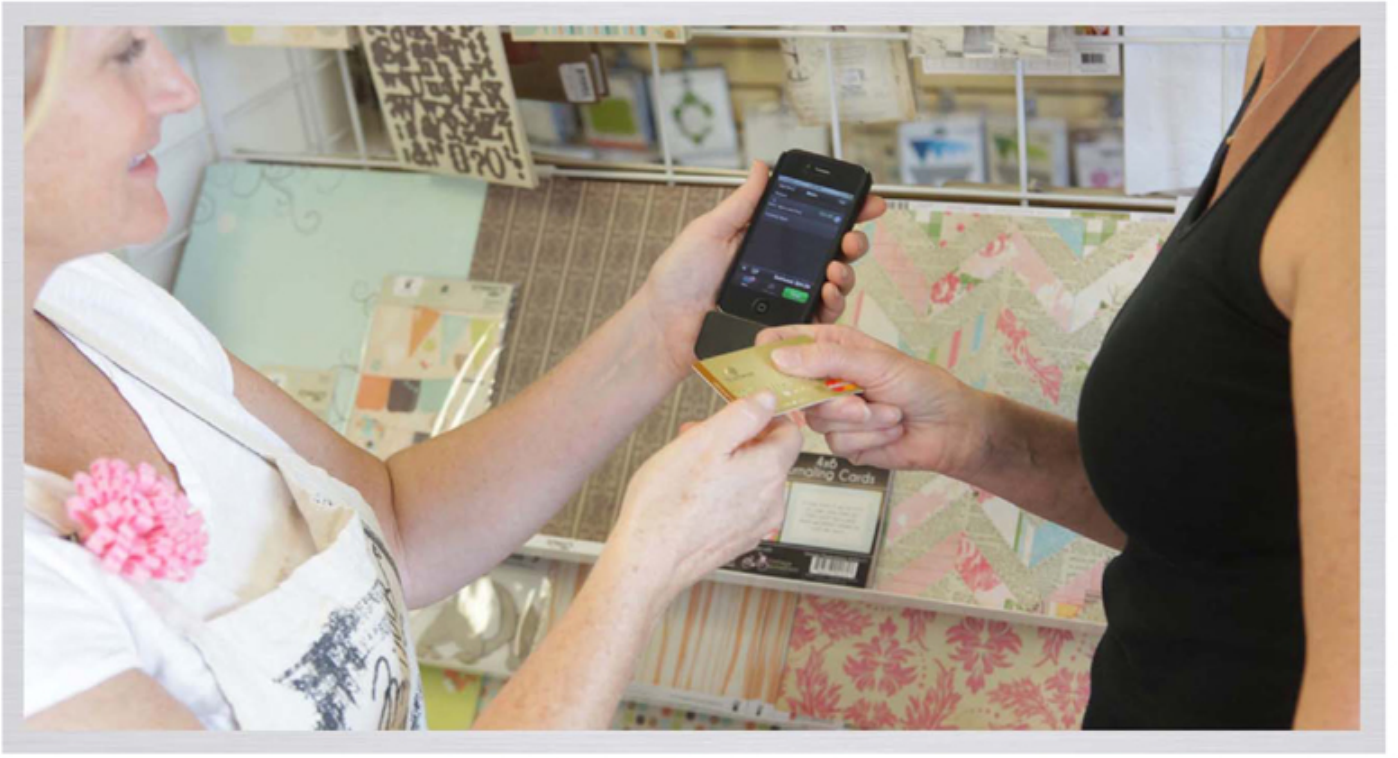
just like them worldwide

just like them worldwide

1916

90%+

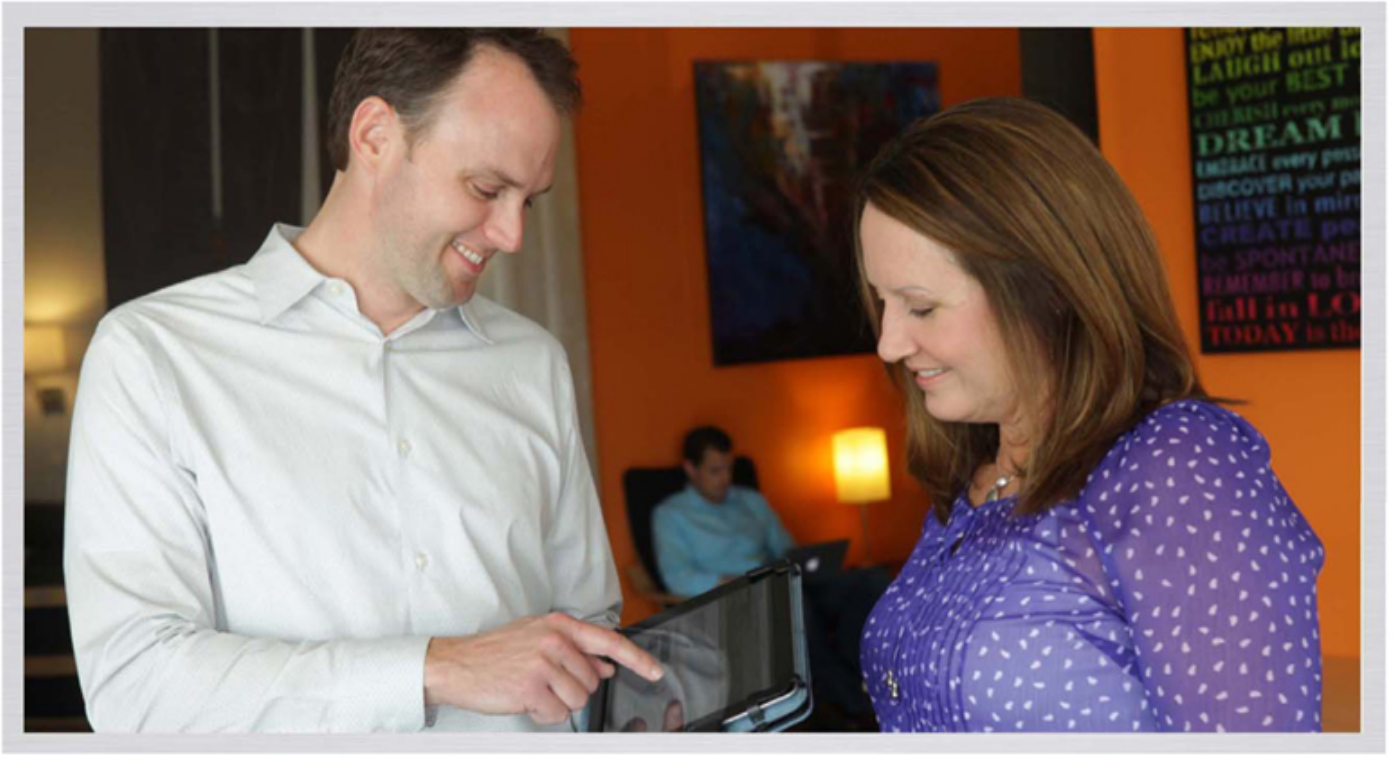
The Company that invented the Retail technology industry 128 years ago is introducing the most significant advancement in 100 years!

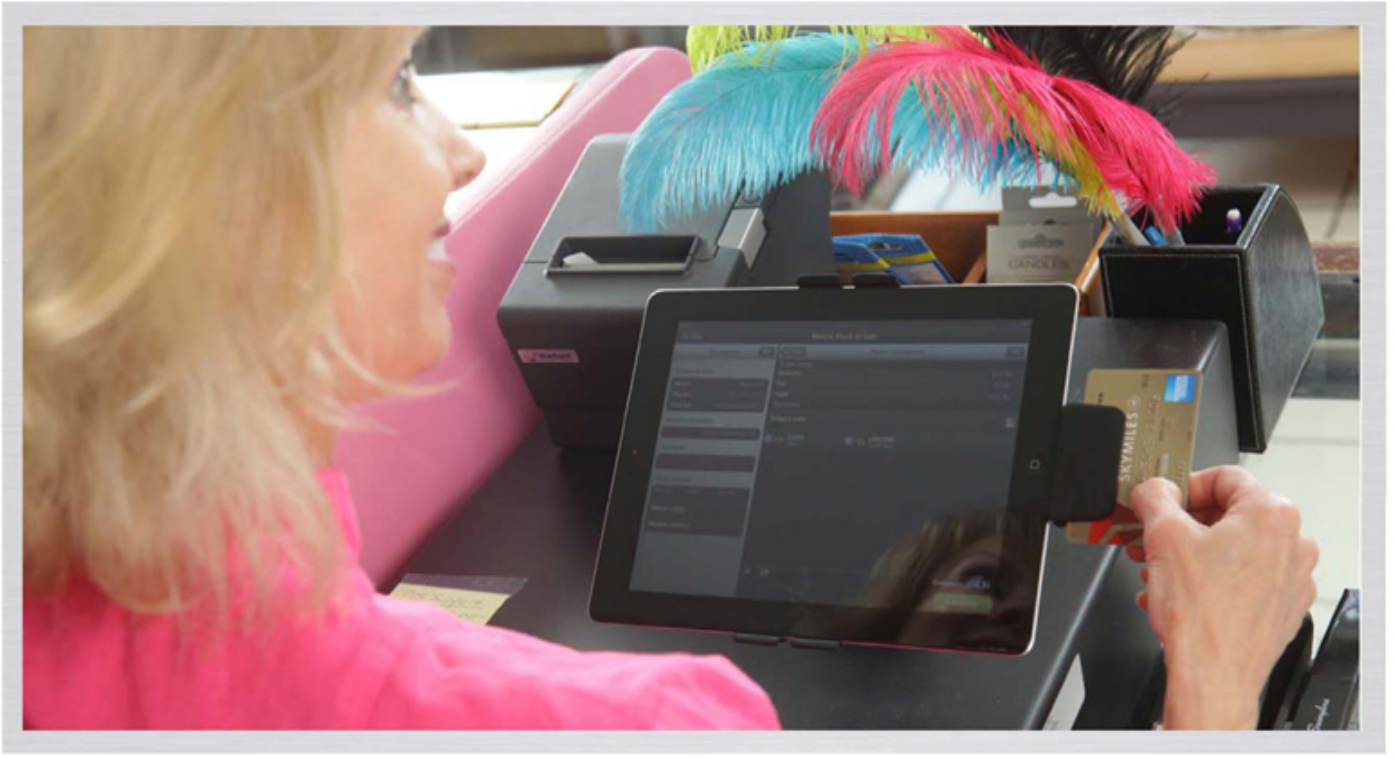












# Why we will win





# Keys to our Success



**World Class  
Solution**



**Great Distribution**



**Strong Brand**



# Total Retail Solution



Run your Business



Connect with Customers



Sell Anywhere

# The Right Solution

	SILVER POINT OF SALE	Revel	ShopKeep	Square	
iPad Registration Platform	✓	✓	✓	✓	Run your Business.
Retail SMB Target	✓	✓	✓	✓	
Cash and Credit Transactions	✓	✓	✓	✓	
Scanning	✓	✓	✓	✓	
Sales Analytics	✓	✓	✓	✓	Connect with Customers.
Smart Alerts	✓	✓	✓	✓	
Inventory Tracking	✓	✓	✓	✓	
Profitability Analytics	✓	✓	✓	✓	Sell Anywhere.
Encrypted Card Security	✓	✓	✓	✓	
eMail Marketing	✓	✓	✓	✓	
Multi Location Support	✓	✓	✓	✓	
Accounting Integration	✓	✓	✓	✓	



**Silver Mobile**

\$79 per month

**Silver Tablet**

\$79 per month

**Silver Register**

\$99 per month

# Launch in July 2012

	Expected Customers	Aspiration
2012	5,000	X 2
2013	40,000	X 3
2014	95,000	X 4





**Run your Business. Connect with Customers. Sell Anywhere.**





**Peter Dorsman**  
Executive Vice President



**At your service every day and around the world**

**Telecom and Technology**  
Line of Business

Investor Day  
May 16, 2012  
New York Stock Exchange



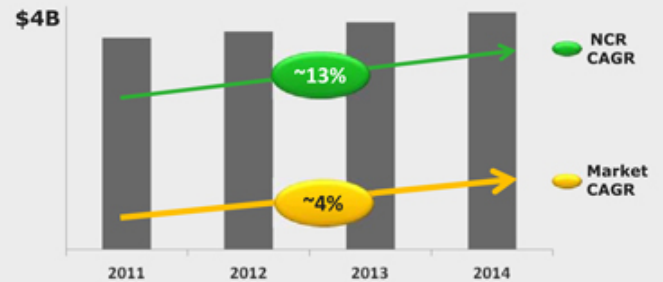
# Unmatched, Global End-to-end Services Portfolio

## NCR Well Positioned to Capture Enterprise Customer Demand for Outsourcing

NCR provides **global, high availability, mission critical, "white label" managed and deployment services** for **multi-vendor** networking technologies to **8 of Top 10** Telecoms and Networking OEMs



### NCR Growing 3x Faster than Market Services Addressable Market



**Gartner.**

"... end-user organizations are **actively pushing for consolidated support contracts** to realize cost savings, reduce contract management overhead and simplify operational processes ..."

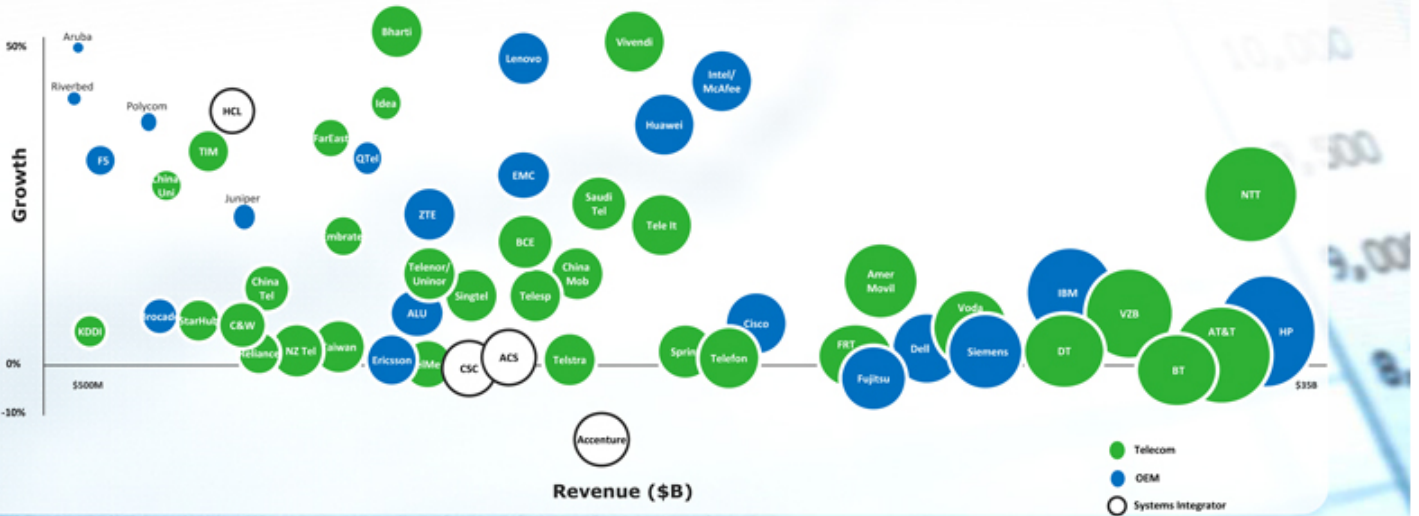


Market: Source: Gartner Dataquest, Network IT Services, Worldwide Forecast, Q1 2011; IDC Black Book 2010  
Gartner: "Competitive Landscape: Integrated Infrastructure Support Providers, Western Europe" Rob Addy, Dec 2011

# Growing Customer Segment Provides Opportunity for Outsourcing to NCR

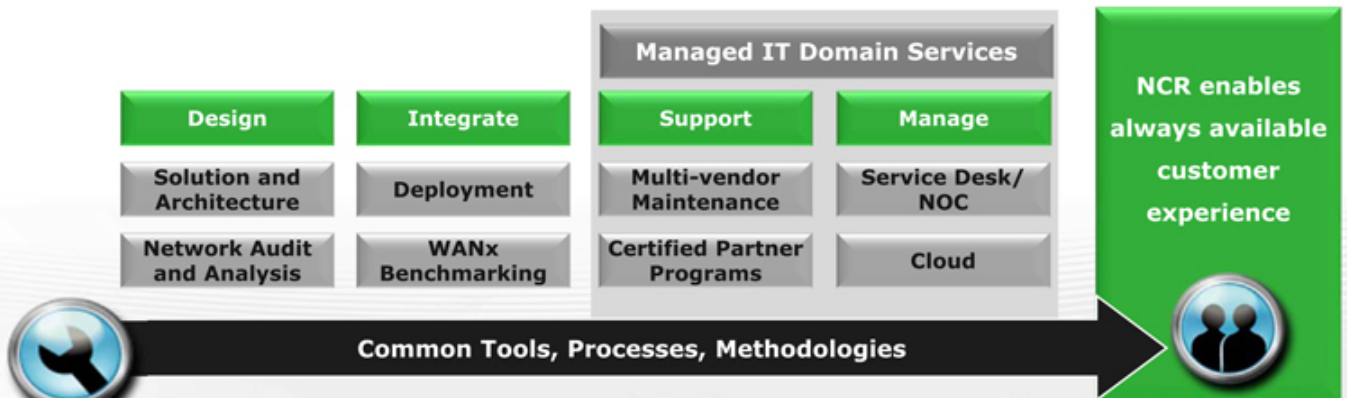
## Represents Category Leaders

Top 33 Telecoms ● Top 20 OEMs ● Top 4 Systems Integrators



# Scaling the Business

## NCR Advantage – the Multi-Factor: Multi-Geographies, Multi-Industry, Multi-Vendor, Multi-Channel



# Uniquely Positioned to Capture Market Demand





# Growth Opportunity

Outsourcing  
Demand  
Accelerating

Devices Multiplying  
Requires  
Seamless, High  
Availability

Services Led Model  
"Complementary"  
Trusted Partner



Customer Segment  
Growing and  
Expanding

Global Capability  
Creates High  
Barrier to Entry





**Peter Dorsman**  
Executive Vice President



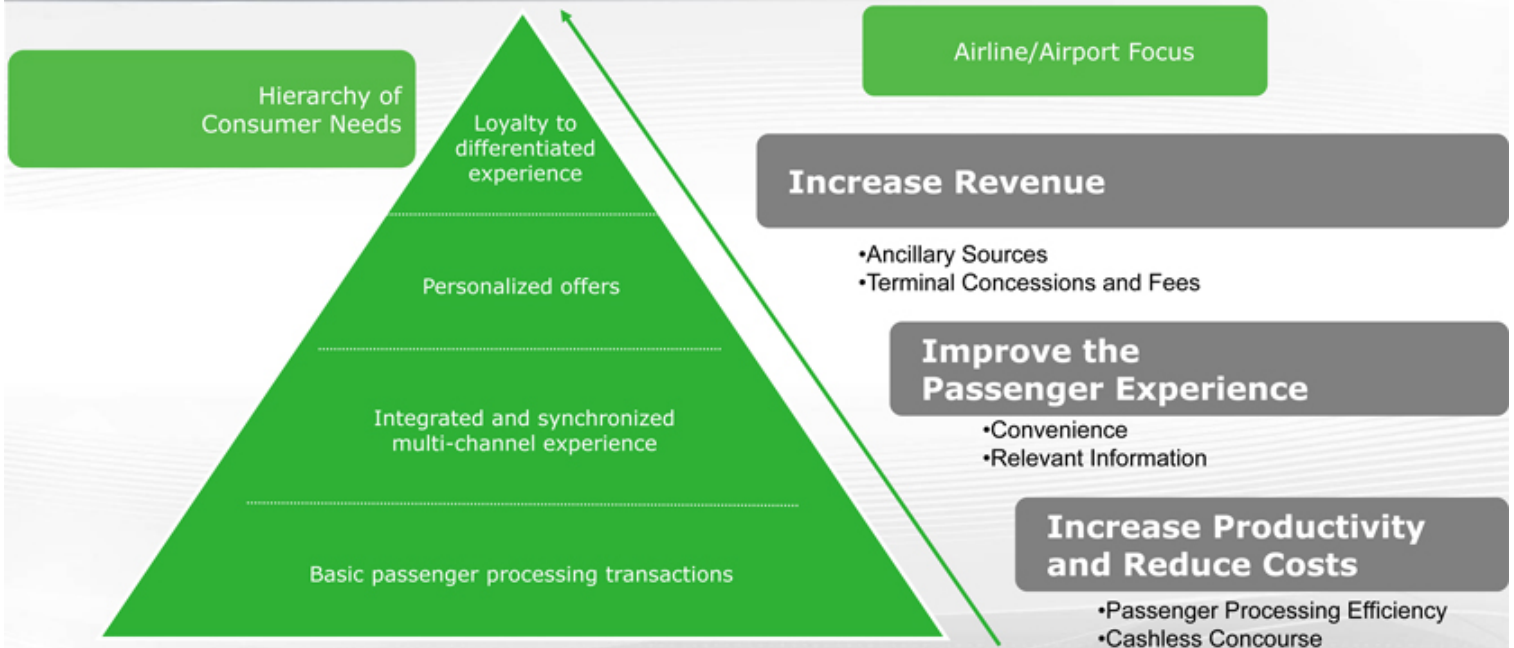
## Transforming the Travel Experience

**Travel**  
Line of Business

Investor Day  
May 16, 2012  
New York Stock Exchange



# Travel Industry Transformation



# Increase Productivity and Reduce Costs

By 2014 there will be 3.3 billion air travelers, up 800 million from 2.5 billion in 2009.

-IATA 2011



Lobby



Security

# Cashless Travel Card Solutions

## Loyalty card Integration



## Onboard food and drink purchase



## Re-accommodations



## Check-in Integration





# Improve the Passenger Experience

Consumers today have more choices and seek greater control over where, when and how they interact with business



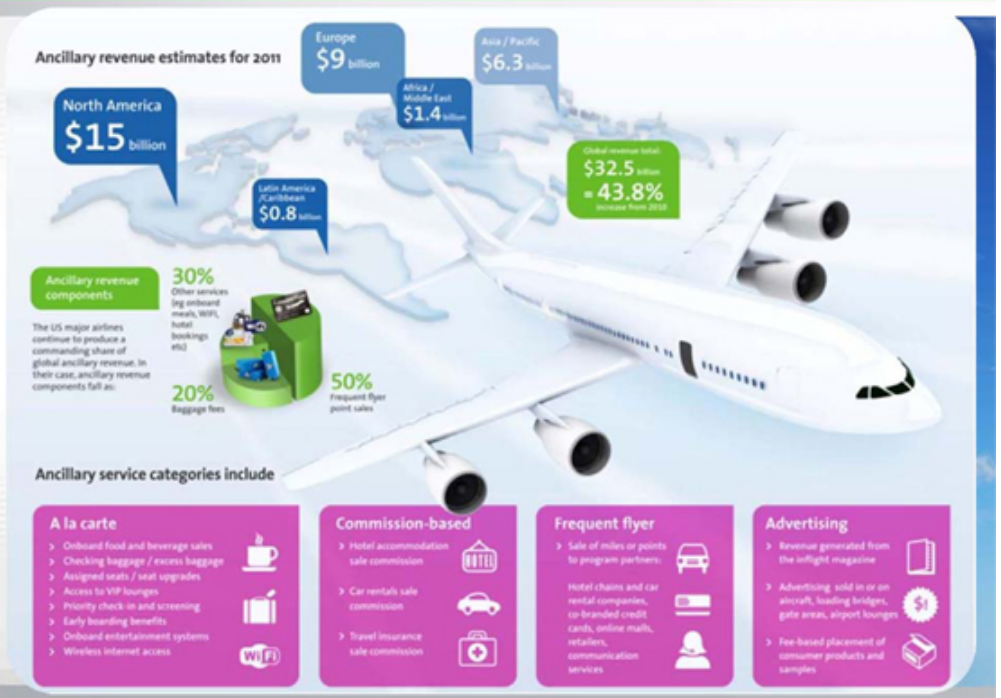
## Major aviation hub in Middle East

- 6,000+ flights per week
- 43 million passengers
- Help passengers locate gates, flight information, retailers and concessions
- Interactive access to hotel reservations and local attractions
- Fifty 42-inch touchscreen monitors with HD graphics and video powered by NCR Netkey software



# Increase Revenue

Ancillary revenue generation has spread from low-cost and US carriers to full service carriers worldwide and become an increasingly important source of revenue. Airlines can now lower their base fares to offer more competitive prices to customers. Consumers can then tailor their travel with optional services according to their budget.



# Retailing and Merchandising to Passengers at the Gate



**93%**  
have mobile



**60%**  
would redeem coupons  
if delivered to mobile



**26%**  
sit at the gate

**1 in 3**  
have at least an  
hour between  
security & flight



**60%** of travelers are likely to redeem coupons for a meal, coffee, spa treatment or other airport services if they are delivered to their **mobile** while at the airport

Source: NCR Travel Consumer Research Survey, July 2011





# End-to-End Service Support to the Travel Industry

Common Use Terminal Equipment (CUTE)



Mobile



Airline Check-In



Interactive Self-Service, Digital Signage, Wayfinding



ATMs



Point of Sale



Network Infrastructure



Consumables

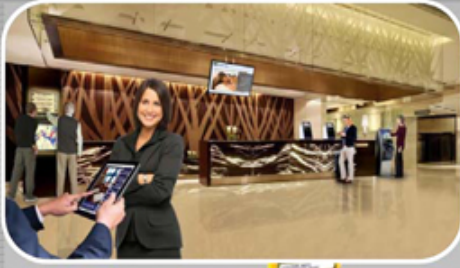


eMarketing





# Travel Segment Expansion



Hotel  
Guest Check-in



Virtual Agent



Rental Car

Self-Ticketing



Bus



**John Bruno**  
Executive Vice President



**At your service every day and around the world**

**Customer Services Strategy**

Investor Day  
May 16, 2012  
New York Stock Exchange



# NCR Services Leadership

**Global Leader Providing Unmatched Portfolio, Service Intelligence, and Innovation to Enable Seamless Consumer Experience Across all Channels**



**13,000**  
Badged & Certified

**515**  
Stocking Locations



**90**  
Direct Countries

**300+**  
Vendors Supported



**16**  
Centers of Excellence

**2,000,000+**  
Points-of-Service Maintained

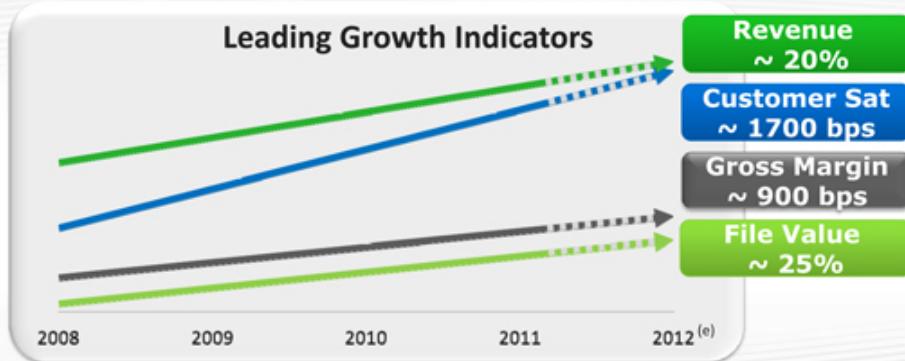


**We take a call every 3 seconds and service a device every 6 seconds**

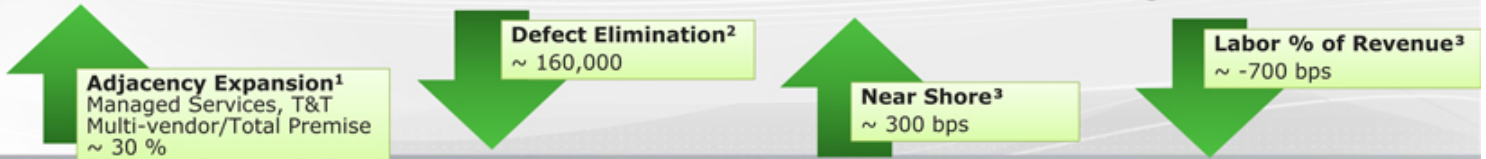
# Capitalizing on Profitable Growth Engine Enables NCR Services Led Model

Growing 2X Faster than the Market

Leveraging Core to Scale into Adjacencies, Emerging and Small Business Markets



Customer Services Business Model Innovation Drives Sustainable Cost Scaling and Efficiencies



<sup>1</sup> 2010-2012  
<sup>2</sup> 2012 target  
<sup>3</sup> 2008-2012

# Portfolio Innovation a Catalyst to Sustained Growth

Portfolio Expansion Opens Emerging Markets, Industries, New Customer Segments and Channels



**Total Premise**  
Global Expansion

**Software Management & Integrity**



**Operational Consulting**

**Cloud Services**



**Cx Consulting**

Reactive

Proactive & Predictive

Seamless Experience



**Interact**  
Channel  
Managed Services

**APTRA Vision**  
Managed Services



**NOC**  
Managed Services

**Predictive Services**





# Services Executing on Strategy

## Moving up the Value Chain with Managed Services and Total Premise Transitioning from Break-Fix Provider to Strategic Partner

"By turning to NCR for our ATM maintenance and management, **we can apply more of our resources to our customers...**"



Ficohsa

"(with NCR Incident Management services) we have been able to increase the **uptime from 89% ... to almost 97% ...**"

"Consolidating our managed services enables us ... **to deliver a great shopping experience ... while driving greater efficiencies that support our growth plans**"

Sainsbury's

FENDI

"These services will help us simplify our IT network...and **more time focused on delivering a premier shopping experience to our customers.**"



Top 10 Outsourcing Provider

Gartner Top 10 Support Provider



# Transforming the Customer Experience Through Service Innovation

Business Model Innovation Driving Sustainable Cost Scaling, Efficiencies and Customer Delight

## Reactive



Failed Consumer Interaction

Dispatch and Repair

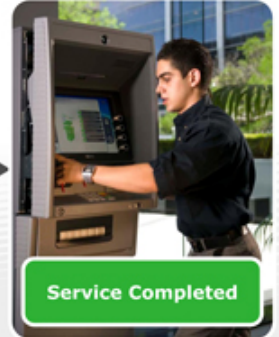
Close with Customer

## Predictive

Enables Seamless Successful Customer Interactions Every Time

Right Parts & Skills

Fix It Before It Breaks



Scheduled Visit

Detailed Status info

# Transforming the Service Model – A Game Changer



**VIDEO:**  
<http://www.youtube.com/watch?v=D4yXjiuKX1Y&feature=plcp>

## Gartner.

"NCR is currently the **only major provider to be offering a truly predictive hardware maintenance service.**"

### Did you know?

In 2012, Predictive will be deployed on:

- 125,000 devices
- 4 continents

### Predictive Recognition:

 THE ASIAN BANKER

**Best Technology Implementation**

 EXCALIBUR AWARDS '10

**TAG Excalibur Award**



Gartner: "Market Trends: The Product Support Beast Awakens, Worldwide, 2012"  
Rob Addy, 23 February 2012

Delivering unmatched Live Customer Care and Support to get small businesses started and keep them up and running. **Retailers can focus on their customers... We'll take care of the rest.**



**Phone/Email/Chat Support**



**Hardware Maintenance**

**Small Business Technical Advisors Enabling Seamless Experience**

# Services Very Well Positioned; Capitalizing on Growth

**Global Leader with Providing Unmatched Portfolio, Service Intelligence, and Innovation to Enable Seamless Consumer Experience Across all Channels**

- **Sustainable, Profitable growth engine** for NCR
- Leveraging our core to **scale into adjacencies, emerging and small business markets**
- **Eliminating defects** across the enterprise value chain for GM expansion
- **Transforming customer experience** with **Predictive** Service Innovation





Peter Dorsman  
Executive Vice President



**Global Operations and Customer Advocacy/Continuous Improvement**



Investor Day  
May 16, 2012  
New York Stock Exchange

# NCR is Driving the Industrial Revolution 2.0

Bringing highly innovative products to market faster

Localization

Operational Excellence

Controlling manufacturing intellectual property



# Regional Innovation Hubs



# New Product Introduction

Partners

Customers

Product Development

Suppliers

Government and Universities

Manufacturing

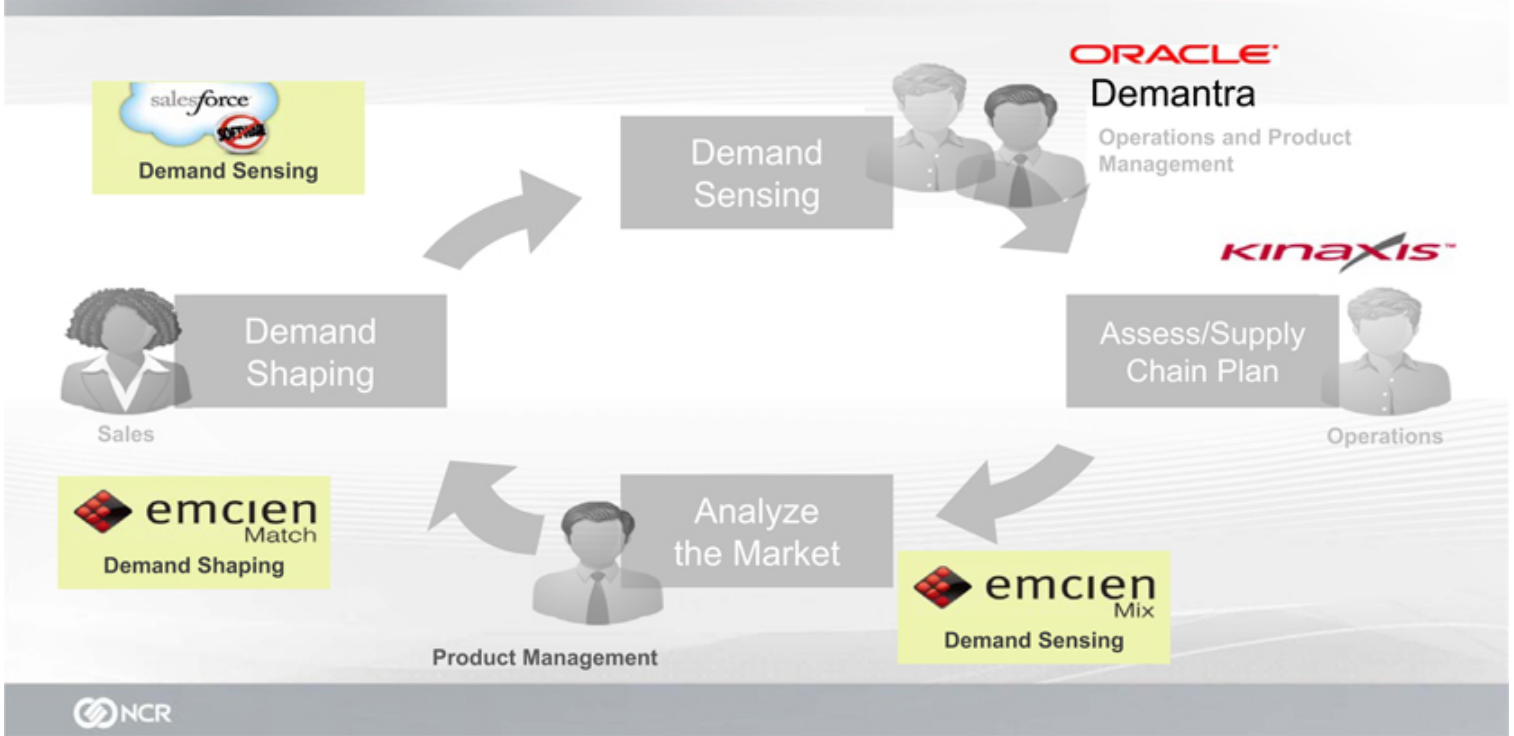


# Next-in-Class Facilities





# Demand Sensing and Shaping



# True North Metrics Driving Operational Excellence



# Continuous Improvement



1. Alignment



2. Sustainability



3. Customer Focus

Cost Savings \$100+ Million  
Annually

CI DNA

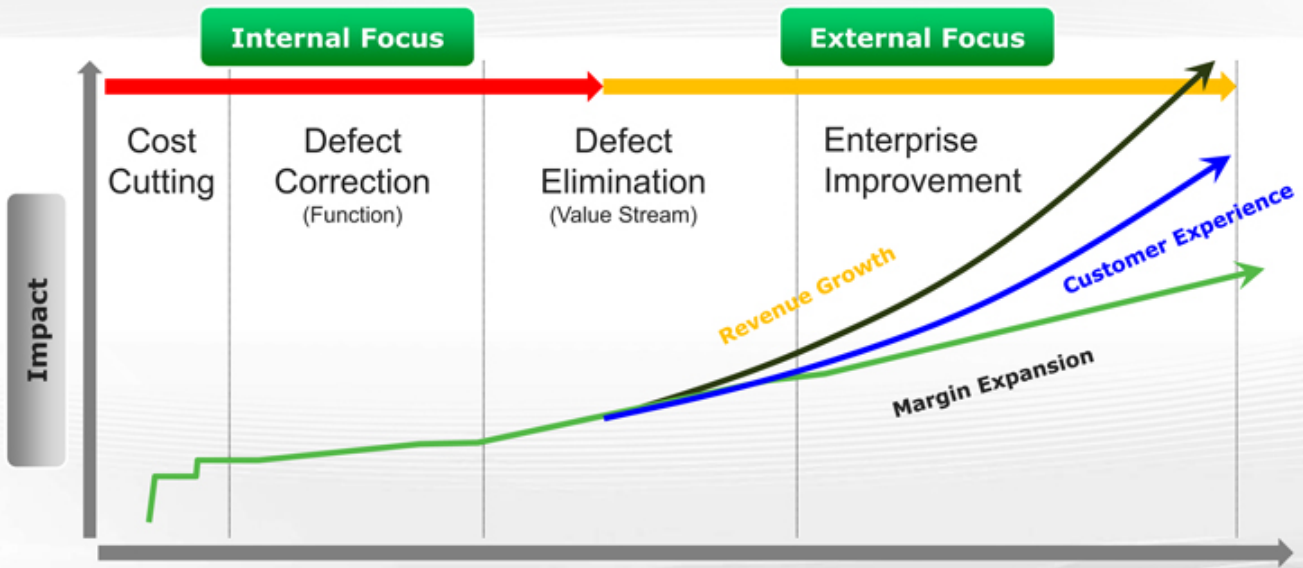
Loyalty Index

Enterprise Approach

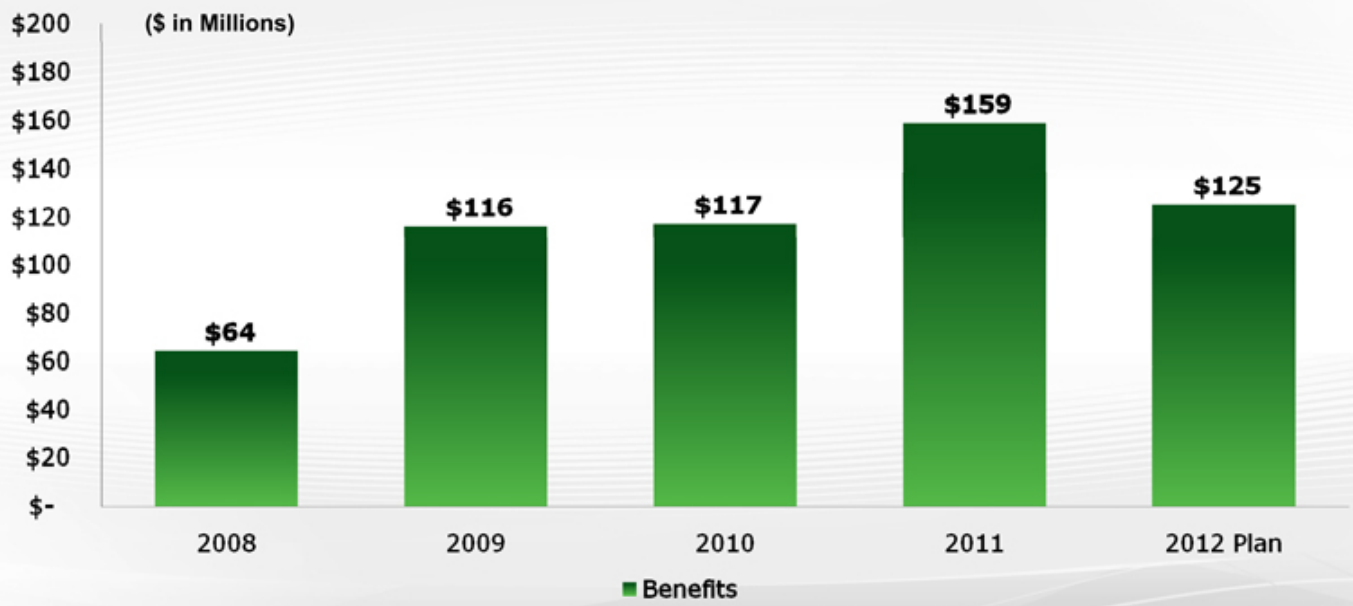
23,500 Problem Solvers

Listening and Execution

# Continuous Improvement Journey



# Continuous Improvement Savings





# Improving Customer Lifetime Value





**Bob Fishman**  
Chief Financial Officer



## **Financial Strategy**

Investor Day  
May 16, 2012  
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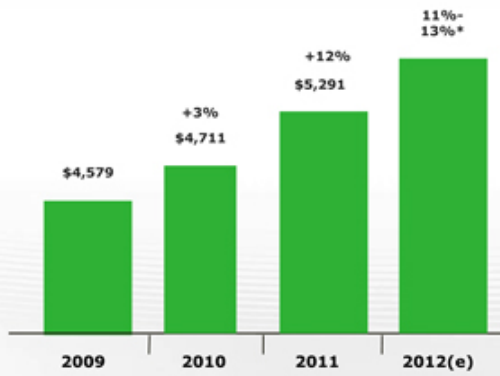
# Creating Shareholder Value – Going Forward



NCR  
Confidential

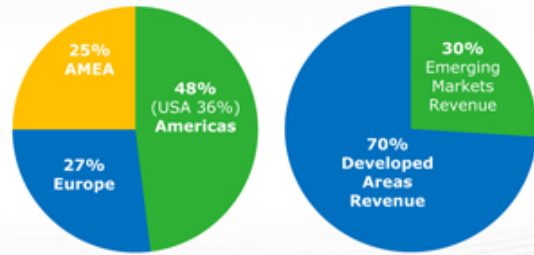
# Revenue Profile – Balanced Global Growth

## Strong Revenue Growth



(\$'s in Millions); \*2012(e) in constant currency

## Geographic Diversity (2011)



## Revenue and Gross Margin by Products and Services

Strong revenue growth. GM expanded in Products and Services as a result of higher volume, improved mix and cost reductions.

Revenue	2009	2010	2011
Products	\$2,208	\$2,301	\$2,592
Services	\$2,371	\$2,410	\$2,699
Total	\$4,579	\$4,711	\$5,291

GM% <sup>(1)</sup>	2009	2010	2011
Products	21.2%	22.3%	23.0%
Services	22.8%	24.5%	26.7%
Total	22.0%	23.4%	24.9%

(\$'s in Millions)

(1) Gross Margin as a percentage of Revenue excludes pension and special items. See reconciliation of GAAP to non-GAAP measures in the non-GAAP supplementary materials and/or on the investor relations page of NCR's website.



## Revenue and OI by Segment

Revenue growth and segment operating margin improvement led by volume growth, mix and cost reductions.

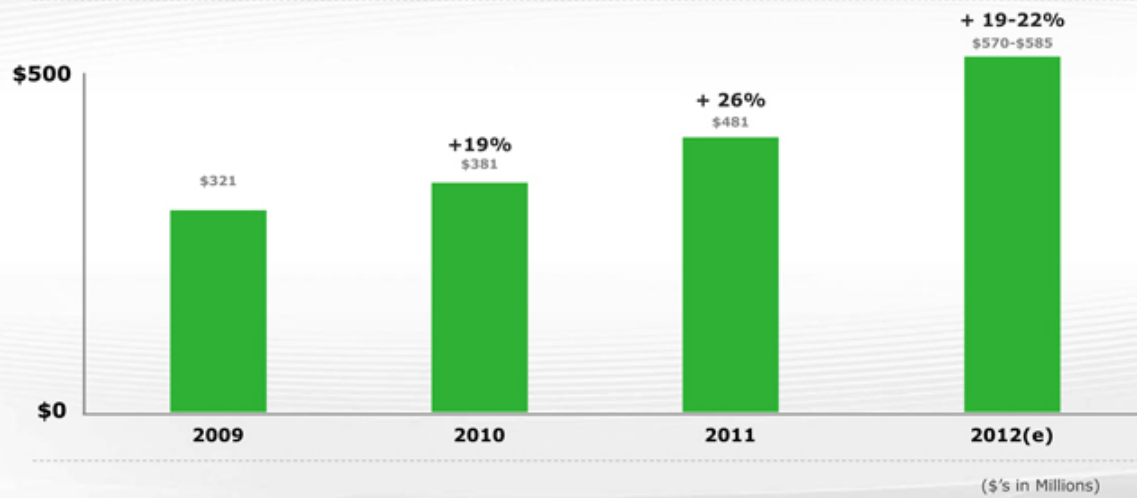
Revenue	2009	2010	2011
Financial Services	\$2,614	\$2,645	\$2,999
Retail Solutions	\$1,627	\$1,717	\$1,778
Hospitality	\$-	\$-	\$141
Emerging Industries	\$338	\$349	\$373
Consolidated revenue	\$4,579	\$4,711	\$5,291

Segment OI%	2009	2010	2011
Financial Services	9.6%	9.5%	10.4%
Retail Solutions	0.7%	4.1%	3.9%
Hospitality	-	-	15.6%
Emerging Industries	16.9%	17.2%	20.6%
Total Segment OI% <sup>(1)</sup>	7.0%	8.1%	9.1%

(1) Total Segment Operating Income as percentage of Revenue excluding pension and special items. See reconciliation of GAAP to non-GAAP measures in the non-GAAP supplementary materials and/or on the investor relations page of NCR's website.

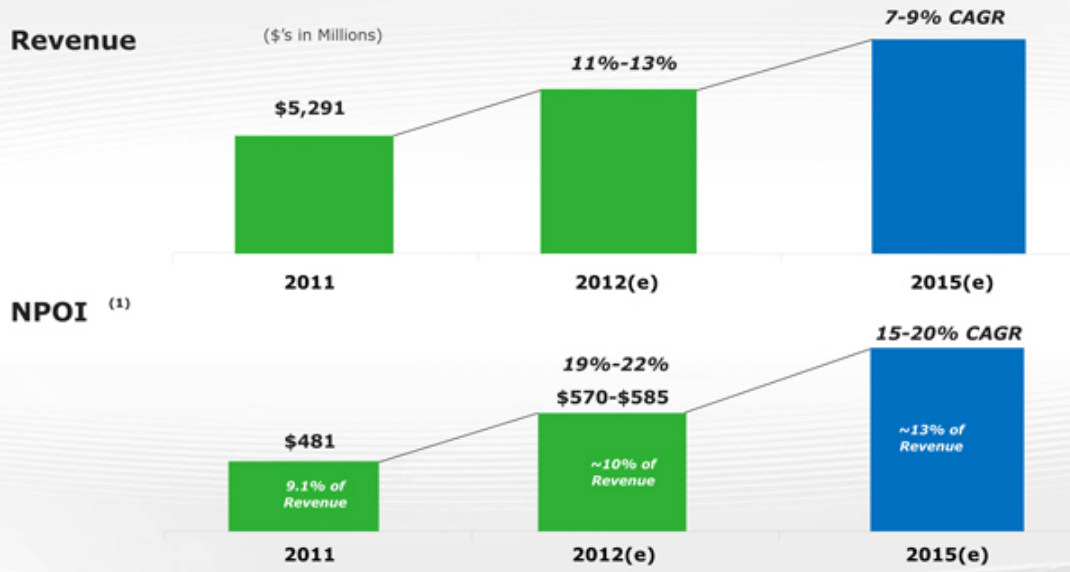
# NPOI: Consistently Strong Growth

## NPOI: Non-Pension Operating Income <sup>(1)</sup>



(1) See reconciliation of GAAP to non-GAAP measures in the non-GAAP supplementary materials and/or on the investor relations page of NCR's website.

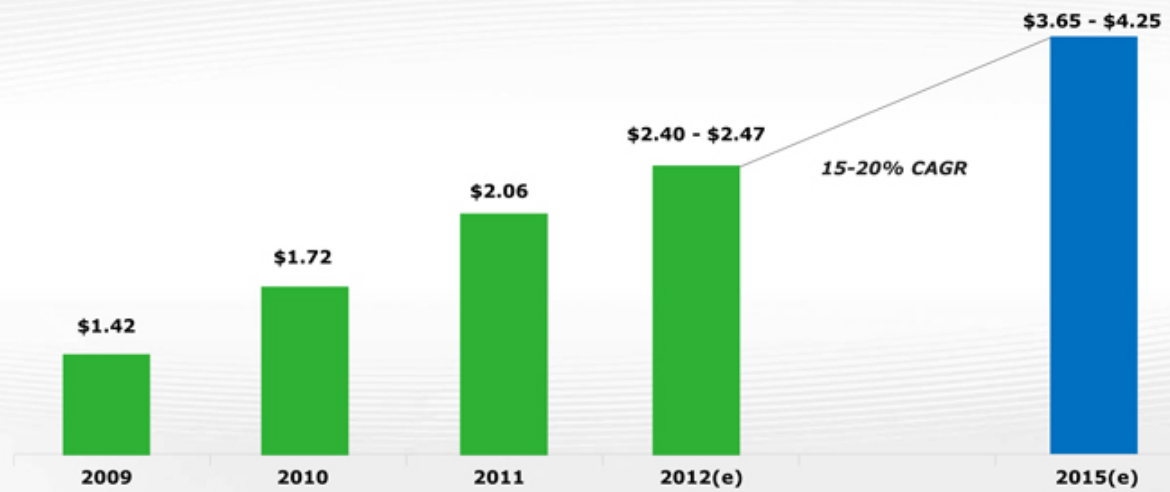
# Revenue and NPOI Growth



(1) See reconciliation of GAAP to non-GAAP measures in the non-GAAP supplementary materials and/or on the investor relations page of NCR's website.

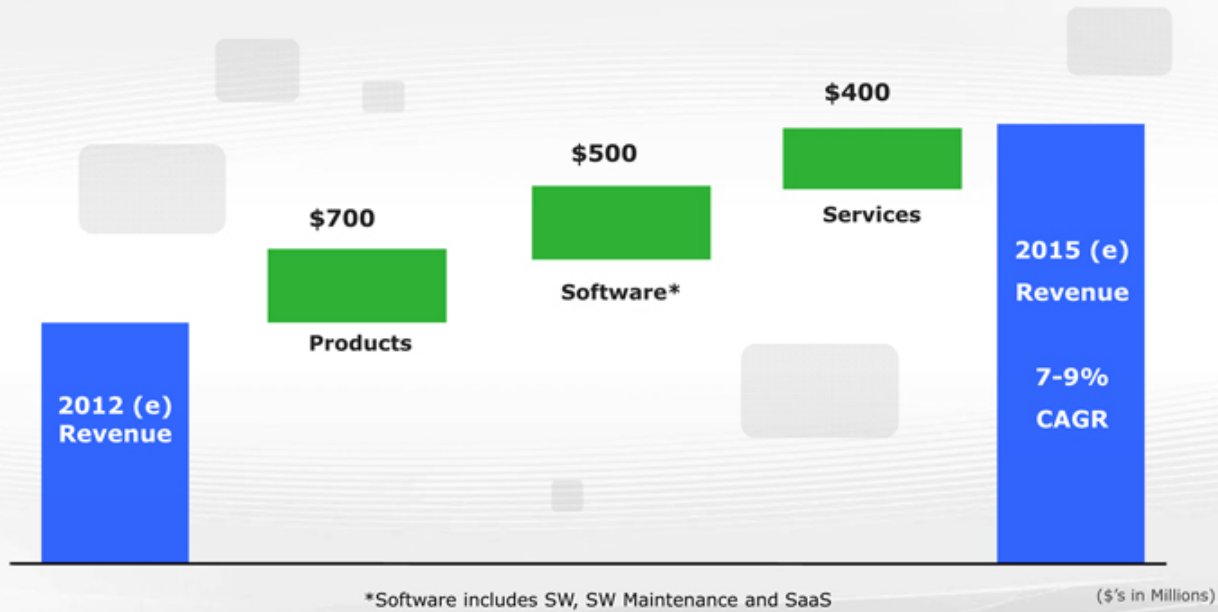
# Continued EPS Expansion

EPS: Excluding Pension and Special Items <sup>(1)</sup>



(1) See reconciliation of GAAP to non-GAAP measures in the non-GAAP supplementary materials and/or on the investor relations page of NCR's website.

# Revenue Growth and Higher Margin Opportunity



# Managing for Margin

Improving our Sales Mix and Reducing our Cost Structure

## ➤ Key Initiatives

- Cost reduction and value engineering
- Product lifecycle management
- Design for serviceability, manufacturability, cost
- Continuous Improvement
- Improving labor productivity



**\$200 million to \$300 million savings for the period 2012-2015 (50% reinvested)**



# Forecast Revenue Growth and OI Margin Expansion by Segment

<b>Segment *</b>	<b>Revenue '12 – '15 CAGR</b>	<b>2015(e) OI% **</b>
<b>Financial Services</b>	<b>CAGR 6-8%</b>	<b>11-13%</b>
<b>Retail Solutions</b>	<b>CAGR 7-9%</b>	<b>8-10%</b>
<b>Hospitality</b>	<b>CAGR 13-15%</b>	<b>20-22%</b>
<b>Emerging Industries</b>	<b>CAGR 10-15%</b>	<b>23-25%</b>

\* Each Segment includes NCR Services

\*\* Estimated OI (segment operating income excludes pension and special items) as a percentage of revenue by segment

## Working Capital Metrics – AR and Inventory (Excluding Hospitality)

Key Working Capital Metrics	2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Accounts Receivable	\$884	\$879	\$957	\$928	\$946	\$980	\$1,069	\$987
DSO (External)	77	67	71	59	78	67	70	58
Inventory Balance	\$720	\$729	\$815	\$741	\$793	\$810	\$807	\$731
Inventory Turns (Rolling 4 Qtr Average)	5.3	5.3	5.2	5.1	5.1	5.1	5.2	5.3

(\$'s in Millions)

# Net Debt Progression

(\$ Millions)

	2010		2011				2012
	Q3	Q4	Q1	Q2	Q3	Q4	Q1
(a) Term Loan	0	0	0	0	(700)	(700)	(700)
(b) Revolver	0	0	0	0	(350)	(140)	(115)
(c) Other Debt	(10)	(11)	(11)	(11)	(12)	(13)	(12)
(d) Cash	360	496	480	457	341	398	414
<b>Total Net Debt (a+b+c-d)</b>	<b>350</b>	<b>485</b>	<b>469</b>	<b>446</b>	<b>(721)</b>	<b>(455)</b>	<b>(413)</b>

Net debt has improved significantly since Q3 2011 acquisition of Radiant

# Pension Update – Q1 2012

## Pension Metrics & Funded Status

(\$Millions)	Asset Return		Discount rate		Funded Status		
	3/31/12 YTD <sup>(1)</sup>	12/31/10	12/31/11	3/31/12 <sup>(1)</sup>	12/31/10	12/31/11	3/31/12 <sup>(1)</sup>
<b>US Plans</b>	3%	5.25%	4.0%	4.25%	(903)	(1,294)	(1,180)
<b>International Plans</b>	2%	4.6%	4.1%	3.9%	(94)	(53)*	(29)
<b>Global</b>	3%	5.0%	4.0%	4.1%	(997)	(1,347)	(1,209)

- \*The (\$53m) net funded status of international plans is comprised of underfunded plans of (\$385m), and overfunded plans of \$332m
- The overfunded plans are a result of local funding methodologies that use more conservative actuarial assumptions than GAAP

## Cash Funding for Pension Plans

(\$Millions)	2010	2011	2012E	2013E
<b>US Qualified Plan**</b>	0	0	85	110
<b>US Non-qualified Plan</b>	9	9	10	10
<b>International Plans***</b>	96	116	120	125
<b>Total</b>	105	125	215	245

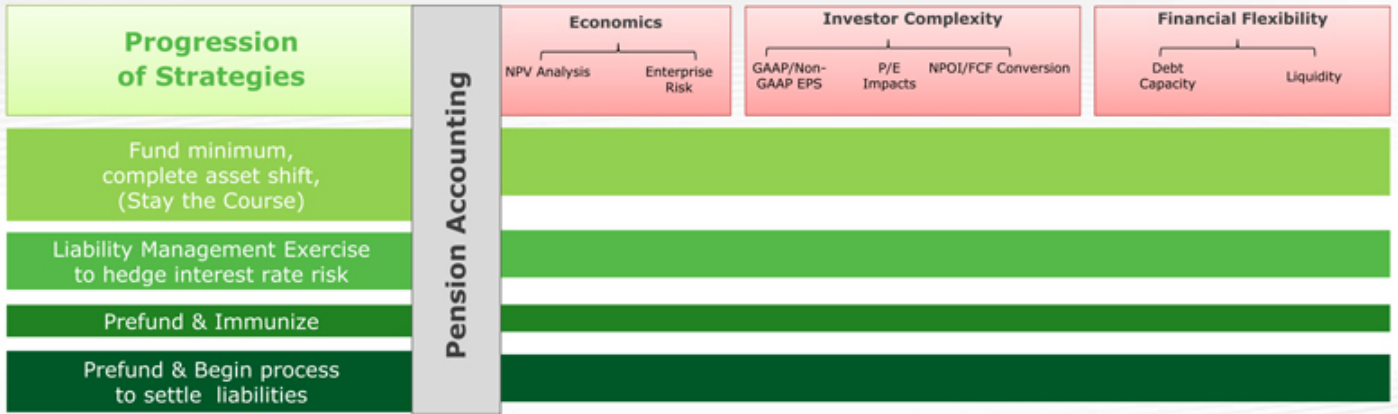
- \*\* The funding requirements for the U.S. Qualified Plan incorporate 15 year funding relief for the 2010 and 2011 plan years
- \*\*\* The funding of international plans is expected to decline to an annual amount of \$10-\$20 million (excluding the funding of future service cost) by 2017 as some of the underfunded plans reach fully funded status
- Due to pension plan closures, service cost is expected to decline to a level of about \$10m per year
- All future funding estimates are approximations based on expected asset returns, discount rates, and local requirements

(1) Estimated based on data available at March 31, 2012; for accounting purposes the pension plans are not marked-to-market on a quarterly basis

# Current Pension Strategy – Phase 1

- NCR's legacy pension assets and liabilities are large relative to current market capitalization.
- 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 reallocated approx. 80% of pension assets to fixed income assets as compared to 60% at the end of 2010. By the end of 2012, we target a portfolio of entirely fixed income assets.
- Work with trustee boards of international pension plans to make similar changes where possible.
- Continue shifting retirement benefits from DB to DC
- Amortize gains/losses over average remaining lifetime if less than 10% of a plan's participants are active
- Phase 1 very effective in reducing volatility and reducing underfunded position compared to previous allocation model

# Pension Strategy Discussion – Phase 2



**GOAL: Create NCR Shareholder Value**

- |   |   |  |
|---|---|--|
| <b>Additional Considerations</b>  |   |  |
| <ul style="list-style-type: none"> <li>• Long Term Execution Process</li> <li>• Develop consistent global strategy</li> </ul> | <ul style="list-style-type: none"> <li>• Fiduciary Responsibility to Plans</li> <li>• Tax Position</li> </ul> | <ul style="list-style-type: none"> <li>• Pension Relief</li> </ul> |



# Pension Strategy Discussion – Phase 2

- **Objectives of Phase 2**

- Improve free cash flow by reducing annual pension contributions
- Reduce volatility and size of underfunded position
- Decrease complexity of pension for investors – GAAP to Non-GAAP

- **Alternatives being considered**

- Fund minimum, complete asset shift
- Liability management exercise to hedge interest rate risk
- Prefund and immunize
- Prefund and begin process to settle liabilities

- **Other Considerations**

- Favorable debt market, good time to borrow
- Tax position of NCR
- Positive NPV driving economic value for company
- Pension relief

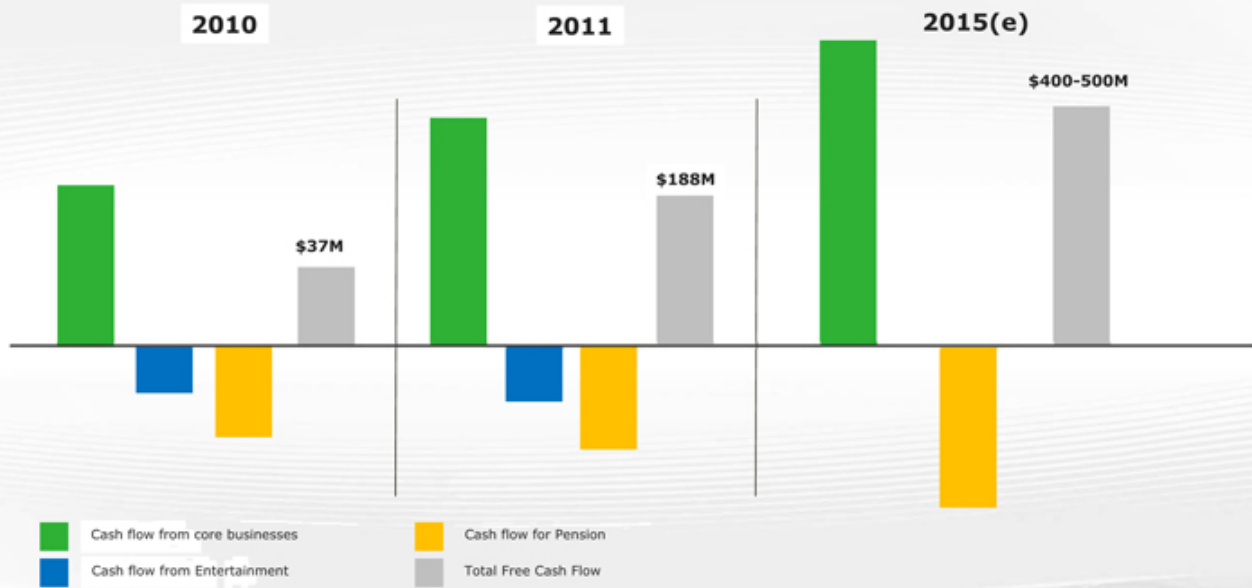
- **Timeline for decision**

- Currently considering options
- Expect announcement of decision on or before Q3 earnings call

# Capital Structure Strategy

- **Maintain strong liquidity**
- **Maintain low cost bank debt in capital structure**
  - Pricing has moved to LIBOR + 150
  - Significant capacity to pursue opportunities
- **Free Cash Flow priorities**
  - Organic growth of business
  - Bolt-on acquisitions and strategic initiatives
  - Debt Reduction
  - Share repurchase
  - No dividend initiation at this time
- **Interest Rate Management**
  - 70% of debt currently fixed through use of interest rate swap

# Free Cash Flow Generation <sup>(1)</sup>



(1) See reconciliation of GAAP to non-GAAP measures in the non-GAAP supplementary materials and/or on the investor relations page of NCR's website.

## Key Takeaways

- Growth and significant profitability improvement in 2011
- Strong revenue growth expected over next three years, especially in software and services
- Cost reduction initiatives provide additional support to NPOI growth outlook
- Free Cash Flow generation expected to improve as core businesses drive additional cash flow
- Execute on pension strategy
  - Solve for large underfunded position, GAAP to non-GAAP difference and significantly improve FCF in next 3 years
- Continue to manage the balance sheet for flexibility and liquidity, continued focus on working capital
- Cash generated to be used for organic growth, strategic opportunities and share repurchases





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## Supplementary Non-GAAP Materials

Investor Day  
May 16, 2012  
New York Stock Exchange





## Non-GAAP Measures

While NCR reports its results in accordance with generally accepted accounting principles in the United States, or GAAP, certain materials presented during this event will include non-GAAP measures in an effort to provide additional useful information regarding NCR's financial results. 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 NCR's past reports of financial results. In addition, management uses certain of these measures to manage and determine effectiveness of its business managers and as a basis for incentive compensation. NCR management's calculation of these non-GAAP measures may differ from similarly-titled measures reported by other companies and cannot, therefore, be compared with similarly-titled measures of other companies. These non-GAAP measures should not be considered as substitutes for or superior to results determined in accordance with GAAP. The reconciliations of non-GAAP measures to comparable GAAP measures and other related information on the following slides are also available on the Investor Relations page of NCR's website at [www.ncr.com](http://www.ncr.com).

The results and cash flows related to NCR's Entertainment line of business have been classified as discontinued operations as of March 31, 2012. Therefore, the financial results and guidance in the reconciliations of GAAP to non-GAAP measures included in the following slides have been recast to exclude the Entertainment line of business.

## Non-GAAP Measures

*NPOI and Non-GAAP EPS.* The non-GAAP income from operations (i.e., non-pension operating income, or NPOI) and non-GAAP earnings per share included in these materials exclude the impact of pension expense and certain special items. Due to the significant change in its pension expense from year to year and the non-operational nature of pension expense and these special items, including amortization of acquisition related intangibles, NCR's management uses non-pension operating income and non-GAAP earnings per share to evaluate year-over-year operating performance. NCR may, in addition, segregate special items from its GAAP results from time to time to reflect the ongoing earnings per share performance of the company. NCR also uses non-pension operating income and non-GAAP earnings per share to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. NCR determines non-pension operating income based on its GAAP income (loss) from operations excluding pension expense and special items.

*Free Cash Flow.* Free cash flow (or FCF) does not have a uniform definition under GAAP. NCR defines free cash flow as net cash provided by/used in operating activities and cash flow provided by/used in discontinued operations less capital expenditures for property, plant and equipment, and additions to capitalized software. 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 which can be used for, among other things, investment in the company's existing businesses, strategic acquisitions, strengthening the company's balance sheet, repurchase of company stock and repayment of the company's debt obligations. Free cash flow 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.

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

	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012	FY 2012 (e)
<b>Income from Continuing Operations (GAAP)</b>	<b>\$ 134</b>	<b>\$ (8)</b>	<b>\$ 41</b>	<b>\$ 47</b>	<b>\$ 67</b>	<b>\$ 147</b>	<b>\$ 20</b>	<b>\$ 62</b>	<b>\$ 28</b>	<b>\$ 100</b>	<b>\$ 210</b>	<b>\$ 49</b>	<b>\$ 366 - \$ 381</b>
Pension expense	159	56	50	50	52	208	51	53	62	56	222	39	165
Impairment of assets related to an equity investment	22	-	-	-	-	-	-	-	-	-	-	-	-
Global headquarters relocation	6	5	7	6	-	18	-	-	-	-	-	-	-
Legal settlements and charges	-	-	-	-	8	8	-	-	-	-	-	-	-
Acquisition related costs	-	-	-	-	-	-	-	1	30	6	37	4	4
Acquisition related amortization of intangibles	-	-	-	-	-	-	-	-	3	9	12	9	35
<b>Non-Pension Operating Income (non-GAAP)</b>	<b>\$ 321</b>	<b>\$ 53</b>	<b>\$ 98</b>	<b>\$ 103</b>	<b>\$ 127</b>	<b>\$ 381</b>	<b>\$ 71</b>	<b>\$ 116</b>	<b>\$ 123</b>	<b>\$ 171</b>	<b>\$ 481</b>	<b>\$ 101</b>	<b>\$ 570 - \$ 585</b>

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

	2009	2010	2011	2012 (e)
<b>Diluted Earnings Per Share from Continuing Operations (GAAP)</b>	<b>\$0.51</b>	<b>\$0.88</b>	<b>\$0.89</b>	<b>\$1.48-\$1.55</b>
Pension expense	(0.68)	(0.93)	(0.96)	(0.74)
Impairment charge	(0.19)	(0.05)	-	(0.01)
Global Headquarters relocation	(0.02)	(0.07)	-	-
Japanese subsidiary valuation reserve	-	0.24	-	-
Legal settlements and charges	(0.02)	(0.03)	0.01	-
Acquisition related costs	-	-	(0.17)	(0.02)
Acquisition related amortization of intangibles	-	-	(0.05)	(0.15)
<b>Diluted Earnings Per Share from Continuing Operations (non-GAAP)</b>	<b>\$1.42</b>	<b>\$1.72</b>	<b>\$2.06</b>	<b>\$2.40-\$2.47</b>

## Cash Provided by (Used in) Operating Activities (GAAP) to Free Cash Flow (non-GAAP)

	2010	2011	2015(e)
<b>Cash provided by (used in) Operating Activities (GAAP)</b>	<b>\$277</b>	<b>\$387</b>	<b>\$605 - \$705</b>
Cash provided by (used in) Discontinued Operations	(114)	(76)	(40)
Net capital expenditures	(126)	(123)	(165)
<b>Free Cash Flow (non-GAAP)</b>	<b>\$37</b>	<b>\$188</b>	<b>\$400 - \$500</b>

(\$'s in Millions)

# Gross Margin as a % of Revenue (GAAP) to Gross Margin as a % of Revenue Excluding Pension and Special Items

	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	FY 2011	Q1 2012
<b>Gross Margin as a % of Revenue (GAAP)</b>	<b>19.6%</b>	<b>19.2%</b>	<b>21.2%</b>	<b>21.6%</b>	<b>21.5%</b>	<b>21.0%</b>	<b>20.7%</b>	<b>21.9%</b>	<b>22.0%</b>	<b>23.9%</b>	<b>22.3%</b>	<b>24.0%</b>
Pension expense	1.9%	3.0%	2.5%	2.4%	2.2%	2.4%	2.7%	2.5%	2.7%	2.1%	2.5%	1.8%
Impairment of assets related to an equity investment	0.5%	-	-	-	-	-	-	-	-	-	-	-
Acquisition related amortization of intangibles	-	-	-	-	-	-	-	-	-	0.4%	0.1%	0.4%
<b>Gross Margin as a % of Revenue Excluding Pension and Special Items</b>	<b>22.0%</b>	<b>22.2%</b>	<b>23.7%</b>	<b>24.0%</b>	<b>23.7%</b>	<b>23.4%</b>	<b>23.4%</b>	<b>24.4%</b>	<b>24.7%</b>	<b>26.4%</b>	<b>24.9%</b>	<b>26.2%</b>