

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 28, 2015



NCR CORPORATION

(Exact name of registrant as specified in its charter)

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)

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 2.02. Results of Operations and Financial Condition.

On April 28, 2015, the Company issued a press release setting forth its first quarter 2015 financial results along with its fiscal year 2015 financial outlook and its second quarter 2015 financial outlook. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

Item 7.01. Regulation FD Disclosure.

On April 28, 2015, the Company will hold its previously announced conference call to discuss its first quarter 2015 results, its fiscal year 2015 financial outlook and its second quarter 2015 financial outlook. A copy of supplementary materials that will be referred to in the conference call, and which were posted to the Company's website, is attached hereto as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

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

Exhibit No.	Description
99.1	Press Release issued by the Company, dated April 28, 2015
99.2	Supplemental materials, dated April 28, 2015

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 hereunto duly authorized.

NCR Corporation

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

Date: April 28, 2015

Index to Exhibits

The following exhibits are attached 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 28, 2015
99.2	Supplemental materials, dated April 28, 2015



April 28, 2015

NCR Announces First Quarter 2015 Results

- **Revenue of \$1.48 billion, down 3% as reported, up 3% constant currency; Growth in software-related revenue to \$414 million, up 9% constant currency, and growth in cloud revenue to \$134 million, up 20% constant currency growth**
- **Non-pension operating income (NPOI) of \$146 million, down 6% as reported, up 6% constant currency; GAAP income from operations decreased 12% to \$95 million, primarily due to restructuring and foreign currency impacts**
- **Non-GAAP diluted EPS of \$0.43, GAAP diluted EPS of \$0.23**
- **Free cash flow improvement of \$75 million; net cash provided by operating activities of \$79 million**
- **2015 full year as reported guidance reaffirmed despite additional unfavorable FX impacts**

DULUTH, Georgia - NCR Corporation (NYSE: NCR) reported financial results today for the three months ended March 31, 2015.

"We are off to a good start in 2015. Our first quarter results were in-line with our expectations and we improved execution across our organization," said Chairman and CEO Bill Nuti. "Our constant currency growth was driven primarily by the impact of our omni-channel solutions in Financial Services. In Retail Solutions, we are beginning to see investment priorities shifting from security back towards omni-channel and customer experience solutions and while we are not pleased with the operating results in Retail Solutions in the first quarter, we continue to forecast improvement in the second half of the year. We expanded our total software revenues during the quarter, including strong cloud revenue growth, and further advanced our sales and services transformation initiatives as we work to build a stronger NCR. We are excited about the opportunities ahead of us this year and are focused on continuing to deliver innovation, value and leading omni-channel solutions to our customers."

Q1 Financial Summary

\$ in millions, except per share amounts	First Quarter			
	2015	2014	As Reported	Constant Currency
Revenue	\$1,476	\$1,518	(3)%	3%
Income from operations *	\$95	\$108	(12)%	
Non-pension operating income (NPOI)	\$146	\$155	(6)%	6% **
Diluted earnings per share ***	\$0.23	\$0.31	(26)%	
Non-GAAP diluted earnings per share	\$0.43	\$0.50	(14)%	2% **

* Income from operations in the first quarter of 2015 includes a \$16 million charge related to the ongoing restructuring plan.

** NPOI includes approximately \$18 million and non-GAAP diluted earnings per share includes approximately \$0.08 of unfavorable foreign currency impacts.

*** Diluted earnings per share in the first quarter of 2015 includes \$0.07 related to the ongoing restructuring plan.

In this release, we use the non-GAAP measures non-pension operating income (NPOI), non-GAAP diluted earnings per share and free cash flow, and we present certain measures on a constant currency basis. These non-GAAP measures are described and reconciled to their most directly comparable GAAP measures elsewhere in this release.

Q1 Supplemental Revenue Information

\$ in millions	First Quarter			
	2015	2014	% Change	% Change Constant Currency
Cloud *	\$ 134	\$ 113	19%	20%
Software License/Software Maintenance	149	147	1%	6%
Professional Services	131	135	(3%)	3%
Total Software-Related Revenue	414	395	5%	9%
Hardware	539	570	(5%)	2%
Other Services	523	553	(5%)	2%
Total Revenue	\$ 1,476	\$ 1,518	(3%)	3%

* Referred to as Software-as-a-Service or SaaS in prior Company earnings releases.

Software-related revenue increased 5% in the first quarter and increased 9% on a constant currency basis, including 19% growth in cloud revenue driven by Financial Services and Hospitality.

Q1 Operating Segment Results

\$ in millions	First Quarter			
	2015	2014	% Change	% Change Constant Currency
Revenue by segment				
Financial Services	\$ 798	\$ 794	1%	9%
Retail Solutions	445	490	(9)%	(4)%
Hospitality	148	149	(1)%	1%
Emerging Industries	85	85	—%	8%
Total Revenue	\$ 1,476	\$ 1,518	(3)%	3%
Operating income by segment				
Financial Services	\$ 105	\$ 103		
% of Financial Services Revenue	13.2%	13.0%		
Retail Solutions	16	36		
% of Retail Solutions Revenue	3.6%	7.3%		
Hospitality	18	12		
% of Hospitality Revenue	12.2%	8.1%		
Emerging Industries	7	4		
% of Emerging Industries Revenue	8.2%	4.7%		
Segment operating income	\$ 146	\$ 155		
% of Total Revenue	9.9%	10.2%		

Revenue was down 3% as reported and was up 3% on a constant currency basis. Financial Services' constant currency growth was driven by improvements in software-related revenue in the Americas, Europe and Middle East Africa. Emerging Industries' constant currency growth was driven by improvements in our Telecom & Technology business. Hospitality's constant currency growth was driven by higher software-related revenue, partially offset by lower hardware

revenue. Retail Solutions constant currency revenue results were negatively impacted by reduced spending by retailers, which we expect to improve in the second half of 2015.

Segment operating income was stronger in Financial Services driven by a higher mix of omni-channel solutions. Segment operating income was also stronger in Hospitality driven by higher software-related revenue including cloud revenue, and stronger in Emerging Industries due to higher services margins. Retail solutions operating income was down due to lower volume and a less favorable mix of software-related revenue.

Free Cash Flow

\$ in millions	First Quarter	
	2015	2014
Net cash provided by operating activities	\$ 79	\$ 31
Total capital expenditures	(51)	(66)
Net cash provided by (used in) discontinued operations	(4)	(16)
Free cash flow	\$ 24	\$ (51)

Free cash flow improved by \$75 million in the first quarter of 2015 as compared to the first quarter of 2014 driven by improvements in cash from operations, lower capital expenditures, and discontinued operations.

2015 Outlook

We are reaffirming our 2015 as reported guidance despite an increase in anticipated unfavorable foreign exchange impacts from our prior expectations. We previously expected unfavorable foreign currency impacts of 5% in revenue, \$50 million in NPOI and \$0.20 per share in non-GAAP diluted EPS. We now expect unfavorable foreign currency impacts of 6% in revenue, \$75 million in NPOI and \$0.30 per share in non-GAAP diluted EPS.

\$ in millions, except per share amounts	2015 Guidance	2014 Actual
Revenue	\$6,525 - \$6,675	\$6,591
Year-over-year revenue growth	(1%) to 1%	8%
Constant currency revenue growth	5% to 7% ⁽¹⁾	10%
Income from operations (GAAP)	\$625 - \$690 ⁽²⁾	\$353 ⁽²⁾
Non-pension operating income (NPOI)	\$830 - \$870	\$820
Diluted earnings per share (GAAP)	\$1.80 - \$2.10 ⁽²⁾	\$1.06 ⁽²⁾
Non-GAAP Diluted EPS	\$2.60 - \$2.80 ⁽³⁾	\$2.74
Net cash provided by operating activities	\$595 - \$625	\$524
Free cash flow	\$325 - \$375	\$313

⁽¹⁾ Expected constant currency growth has been adjusted from 4% to 6% to 5% to 7% to reflect an increase of 1% in anticipated unfavorable foreign currency impact. We previously expected unfavorable foreign currency impacts of approximately 5% in revenue and now expect unfavorable foreign currency impacts of approximately 6% in revenue.

⁽²⁾ For 2014, actuarial mark-to-market pension adjustment is included; 2015 guidance does not include actuarial mark-to-market pension adjustments, which will be determined in Q4 2015. The impact of the transfer of the UK London pension plan to an insurer expected to occur in 2015 or early 2016 is excluded from the 2015 guidance. The UK London pension plan was approximately \$420 million overfunded as of December 31, 2014.

⁽³⁾ NCR expects approximately \$215 million to \$220 million of other expense, net including interest expense in 2015 and that its full-year 2015 effective income tax rate will be approximately 25% compared to 22% in 2014.

The Company is on track with progress to date with the restructuring plan. In 2015, NCR expects to incur a pre-tax charge of approximately \$39 million to \$64 million with \$16 million recorded during Q1 2015. Cash payments in 2015

are expected to be approximately \$71 million to \$86 million with \$16 million paid during Q1 2015. Savings are in line with previous expectations with approximately \$18 million in 2014, \$70 million in 2015 and \$105 million in 2016, with about 50% of the savings benefiting NPOI.

Q2 2015 Outlook

For the second quarter of 2015, the Company expects non-pension operating income (NPOI) to be in the range of \$190 million to \$200 million, compared to \$210 million in the second quarter of 2014, and income from operations to be in the range of \$140 million to \$150 million, compared to \$169 million in the second quarter of 2014. The unfavorable foreign currency impact on NPOI is expected to be approximately \$20 million in the second quarter of 2015. NCR expects its second quarter 2015 effective income tax rate to be approximately 28% and other expense, net including interest expense to be approximately \$55 million.

2015 First Quarter Earnings Conference Call

A conference call is scheduled for today at 4:30 p.m. (EDT) to discuss the first quarter 2015 results and guidance for second quarter and full-year 2015. Access to the conference call and accompanying slides, as well as a replay of the call, are available on NCR's web site at <http://investor.ncr.com/>. Additionally, the live call can be accessed by dialing 866-409-1555 and entering the participant passcode 6680678.

More information on NCR's Q1 2015 earnings, including additional financial information and analysis, is available on NCR's Investor Relations website at <http://investor.ncr.com/>.

About NCR Corporation

NCR Corporation (NYSE: NCR) is the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences. With its software, hardware, and portfolio of services, NCR enables nearly 550 million transactions daily across the financial, retail, hospitality, travel, telecom and technology industries. NCR solutions run the everyday transactions that make your life easier.

NCR is headquartered in Duluth, Georgia with over 30,000 employees and does business in 180 countries. NCR is a trademark of NCR Corporation in the United States and other countries. NCR encourages investors to visit its web site which is updated regularly with financial and other important information about NCR.

Web site: www.ncr.com

Twitter: @NCRCorporation

Facebook: www.facebook.com/ncrcorp

LinkedIn: <http://linkd.in/ncrgroup>

YouTube: www.youtube.com/user/ncrcorporation

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Note to Investors This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements use words such as “expect,” “anticipate,” “outlook,” “intend,” “believe,” “will,” “should,” “would,” “could” and words of similar meaning. Statements that describe or relate to NCR’s future plans, goals, intentions, strategies or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. The forward-looking statements in this release include statements about expected industry investment trends, and market and economic conditions affecting NCR and its business; expectations regarding foreign currency fluctuations and their impact on NCR’s results; expectations for NCR’s growth; NCR’s ongoing restructuring plan and its costs, expected benefits and results; and NCR’s 2015 financial outlook (including in the sections entitled “2015 Outlook” and “Q2 2015 Outlook”). Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR’s control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors relating to: domestic and global economic and credit conditions including, in particular, market conditions and spending trends in the retail industry; the impact of our indebtedness and its terms on our financial and operating activities; foreign currency fluctuations; our ability to successfully introduce new solutions and compete in the information technology industry; the transformation of our business model and our ability to sell higher-margin software and services; our ability to improve execution in our sales and services organizations; defects or errors in our products; manufacturing disruptions; the historical seasonality of our sales; compliance with data privacy and protection requirements; the availability and success of acquisitions, divestitures and alliances, including the acquisition of Digital Insight; our pension strategy and underfunded pension obligation; the success of our ongoing restructuring plan; tax rates; reliance on third party suppliers; development and protection of intellectual property; workforce turnover and the ability to attract and retain skilled employees; environmental exposures from our historical and ongoing manufacturing activities; and uncertainties with regard to regulations, lawsuits, claims and other matters across various jurisdictions. Additional information concerning these and other factors can be found in the Company’s filings with the U.S. Securities and Exchange Commission, including the Company’s most recent annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. 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.

Non-GAAP Financial Measures While NCR reports its results in accordance with Generally Accepted Accounting Principles in the United States, or GAAP, in this release NCR also uses the non-GAAP measures listed and described below.

Non-Pension Operating Income and Non-GAAP Diluted Earnings Per Share. NCR’s non-pension operating income and non-GAAP diluted earnings per share are determined by excluding pension expense and special items, including amortization of acquisition related intangibles, from NCR’s GAAP income (loss) from operations. 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, NCR’s management uses non-pension operating income and non-GAAP diluted earnings per share to evaluate year-over-year operating performance, to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. NCR believes these measures are useful for investors because they provide a more complete understanding of NCR’s underlying operational performance, as well as consistency and comparability with NCR’s past reports of financial results.

Free Cash Flow. 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, additions to capitalized software, discretionary pension contributions and settlements. 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. 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.

Constant Currency. NCR presents certain measures, such as period-over-period revenue growth, on a constant currency basis, which excludes the effects of foreign currency translation. Due to the continuing strengthening of the U.S. dollar against foreign currencies and the overall variability of foreign exchange rates from period to period, NCR’s management uses these measures on a constant currency basis to evaluate period-over-period operating performance. Measures presented on a constant currency basis are calculated by translating current period results at prior period monthly average exchange rates.

NCR’s definitions and calculations 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. These non-GAAP measures are

reconciled to their most directly comparable GAAP measures in the tables below or, in the case of quarterly free cash flow, in the body of this release.

Reconciliation of Diluted Earnings Per Share (GAAP) to Non-GAAP Diluted Earnings Per Share (non-GAAP)

	Q1 2015 Actual	Q1 2014 Actual	2015 Guidance	2014 Actual
Diluted EPS (GAAP)	\$ 0.23	\$ 0.31	\$1.80 - \$2.10	\$ 1.06
Pension (benefit) expense	—	—	0.01	0.38
Restructuring plan	0.07	—	0.18 - 0.28	0.68
Acquisition-related costs	0.01	0.06	0.04	0.12
Acquisition-related amortization of intangibles	0.12	0.11	0.47	0.47
Acquisition-related purchase price adjustments	—	0.01	—	0.02
OFAC and FCPA Investigations ⁽¹⁾	—	0.01	—	0.01
Non- GAAP Diluted EPS	\$ 0.43	\$ 0.50	\$2.60 - \$2.80	\$ 2.74

Reconciliation of Income from Operations (GAAP) to Non-pension Operating Income (non-GAAP)

\$ in millions	Q1 2015 Actual	Q1 2014 Actual	2015 Guidance	2014 Actual	Q2 2015 Guidance	Q2 2014 Actual
Income from Operations (GAAP)	\$ 95	\$ 108	\$625 - \$690	\$ 353	\$140 - \$150	\$ 169
Pension (benefit) expense	—	(1)	3	152	1	2
Restructuring plan	16	—	39 - 64	160	14	—
Acquisition-related costs	2	14	10	27	3	6
Acquisition-related amortization of intangibles	32	30	127	119	32	30
Acquisition-related purchase price adjustments	—	3	—	6	—	2
OFAC and FCPA Investigations ⁽¹⁾	1	1	1	3	—	1
Non-pension Operating Income (non-GAAP)	\$ 146	\$ 155	\$830 - \$870	\$ 820	\$190 - \$200	\$ 210

Reconciliation of Net Cash Provided by Operating Activities (GAAP) to Free Cash Flow (non-GAAP)

\$ in millions	2015 Guidance
Net cash provided by operating activities	\$595 - \$625
Total capital expenditures	(215) - (235)
Net cash provided by (used in) discontinued operations	(35)
Free cash flow	\$325 - \$375

Reconciliation of Revenue Growth (GAAP) to Revenue Growth on a Constant Currency Basis (non-GAAP)

	Revenue Growth % (GAAP)	Favorable (unfavorable) FX impact	Constant Currency Revenue Growth % (non-GAAP)
Financial Services	1%	(8)%	9%
Retail Solutions	(9)%	(5)%	(4)%
Hospitality	(1)%	(2)%	1%
Emerging Industries	—%	(8)%	8%
Total Revenue	(3)%	(6)%	3%

	Revenue Growth % (GAAP)	Favorable (unfavorable) FX impact	Constant Currency Revenue Growth % (non-GAAP)
Cloud	19 %	(1)%	20%
Software License/Software Maintenance	1 %	(5)%	6%
Professional Services	(3)%	(6)%	3%
Total Software-Related Revenue	5 %	(4)%	9%
Hardware	(5)%	(7)%	2%
Other Services	(5)%	(7)%	2%
Total Revenue	(3)%	(6)%	3%

⁽¹⁾ Estimated expenses for 2015 will be affected by, among other things, the status and progress of these matters. There can be no assurance that the Company will not be subject to fines or other remedial measures as a result of OFAC's, the SEC's or the DOJ's investigations.



NCR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in millions, except per share amounts)

Schedule A

	For the Periods Ended March 31	
	Three Months	
	2015	2014
Revenue		
Products	\$ 604	\$ 634
Services	872	884
Total Revenue	1,476	1,518
Cost of products	483	476
Cost of services	603	626
Total gross margin	390	416
% of Revenue	26.4%	27.4%
Selling, general and administrative expenses	225	245
Research and development expenses	55	63
Restructuring-related charges	15	—
Income from operations	95	108
% of Revenue	6.4%	7.1%
Interest expense	(44)	(43)
Other (expense), net	(7)	(7)
Total other (expense), net	(51)	(50)
Income before income taxes and discontinued operations	44	58
% of Revenue	3.0%	3.8%
Income tax expense	2	4
Income from continuing operations	42	54
Income from discontinued operations, net of tax	—	—
Net Income	42	54
Net income attributable to noncontrolling interests	2	1
Net income attributable to NCR	\$ 40	\$ 53
Amounts attributable to NCR common stockholders:		
Income from continuing operations	\$ 40	\$ 53
Income from discontinued operations, net of tax	—	—
Net income	\$ 40	\$ 53
Net income per share attributable to NCR common stockholders:		
Net income per common share from continuing operations		
Basic	\$ 0.24	\$ 0.32
Diluted	\$ 0.23	\$ 0.31
Net income per common share		
Basic	\$ 0.24	\$ 0.32
Diluted	\$ 0.23	\$ 0.31
Weighted average common shares outstanding		
Basic	169.0	167.1
Diluted	171.6	171.0

NCR CORPORATION
REVENUE AND OPERATING INCOME SUMMARY
(Unaudited)
(in millions)

Schedule B

	For the Periods Ended March 31			
	Three Months			% Change Constant Currency
	2015	2014	% Change	
Revenue by segment				
Financial Services	\$ 798	\$ 794	1 %	9 %
Retail Solutions	445	490	(9)%	(4)%
Hospitality	148	149	(1)%	1 %
Emerging Industries	85	85	— %	8 %
Total Revenue	\$ 1,476	\$ 1,518	(3)%	3 %
Operating income by segment				
Financial Services	\$ 105	\$ 103		
% of Revenue	13.2%	13.0%		
Retail Solutions	16	36		
% of Revenue	3.6%	7.3%		
Hospitality	18	12		
% of Revenue	12.2%	8.1%		
Emerging Industries	7	4		
% of Revenue	8.2%	4.7%		
Subtotal-segment operating income	\$ 146	\$ 155		
% of Revenue	9.9%	10.2%		
Pension expense (benefit)	—	(1)		
Other adjustments ⁽¹⁾	51	48		
Total income from operations	\$ 95	\$ 108		

⁽¹⁾ The following table presents the other adjustments for NCR:

In millions	For the Periods Ended March 31	
	Three months	
	2015	2014
Restructuring plan	\$ 16	\$ —
Acquisition-related amortization of intangible assets	32	30
Acquisition-related costs	2	14
Acquisition-related purchase price adjustments	—	3
OFAC and FCPA investigations	1	1
Total other adjustments	\$ 51	\$ 48



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

Schedule C

	March 31, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 462	\$ 511
Accounts receivable, net	1,415	1,404
Inventories	676	669
Other current assets	549	504
Total current assets	3,102	3,088
Property, plant and equipment, net	351	396
Goodwill	2,754	2,760
Intangibles, net	893	926
Prepaid pension cost	535	551
Deferred income taxes	344	349
Other assets	534	537
Total assets	\$ 8,513	\$ 8,607
Liabilities and stockholders' equity		
Current liabilities		
Short-term borrowings	\$ 172	\$ 187
Accounts payable	642	712
Payroll and benefits liabilities	176	196
Deferred service revenue and customer deposits	588	494
Other current liabilities	446	481
Total current liabilities	2,024	2,070
Long-term debt	3,443	3,472
Pension and indemnity plan liabilities	676	705
Postretirement and postemployment benefits liabilities	174	170
Income tax accruals	175	181
Environmental liabilities	37	44
Other liabilities	64	67
Total liabilities	6,593	6,709
Redeemable noncontrolling interests	14	15
Stockholders' equity		
NCR stockholders' equity:		
Preferred stock: par value \$0.01 per share, 100.0 shares authorized, no shares issued and outstanding as of March 31, 2015 and December 31, 2014, respectively	—	—
Common stock: par value \$0.01 per share, 500.0 shares authorized, 169.5 and 168.6 shares issued and outstanding as of March 31, 2015 and December 31, 2014, respectively	2	2
Paid-in capital	447	442
Retained earnings	1,603	1,563
Accumulated other comprehensive loss	(158)	(136)
Total NCR stockholders' equity	1,894	1,871
Noncontrolling interests in subsidiaries	12	12
Total stockholders' equity	1,906	1,883
Total liabilities and stockholders' equity	\$ 8,513	\$ 8,607



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

Schedule D

	For the Periods Ended March 31	
	Three Months	
	2015	2014
Operating activities		
Net income	\$ 42	\$ 54
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from discontinued operations	—	—
Depreciation and amortization	76	69
Stock-based compensation expense	9	10
Deferred income taxes	4	3
Gain on sale of property, plant and equipment and other assets	(1)	(1)
Impairment of long-lived and other assets	14	—
Changes in assets and liabilities:		
Receivables	(46)	(66)
Inventories	(21)	(30)
Current payables and accrued expenses	(83)	—
Deferred service revenue and customer deposits	110	59
Employee benefit plans	(21)	(21)
Other assets and liabilities	(4)	(46)
Net cash provided by operating activities	79	31
Investing activities		
Expenditures for property, plant and equipment	(13)	(32)
Additions to capitalized software	(38)	(34)
Business acquisition, net	—	(1,642)
Changes in restricted cash	—	1,114
Other investing activities, net	(6)	(4)
Net cash used in investing activities	(57)	(598)
Financing activities		
Short term borrowings, net	2	6
Payments on term credit facilities	(19)	—
Borrowings on term credit facilities	—	250
Payments on revolving credit facilities	(273)	(60)
Borrowings on revolving credit facilities	248	400
Debt issuance costs	—	(2)
Proceeds from employee stock plans	6	5
Tax withholding payments on behalf of employees	(9)	(22)
Other financing activities	—	(1)
Net cash used in financing activities	(45)	576
Cash flows from discontinued operations		
Net cash used in discontinued operations	(4)	(16)
Effect of exchange rate changes on cash and cash equivalents	(22)	(6)
Decrease in cash and cash equivalents	(49)	(13)
Cash and cash equivalents at beginning of period	511	528
Cash and cash equivalents at end of period	\$ 462	\$ 515

Q1 2015 EARNINGS CONFERENCE CALL

BILL NUTI, CHAIRMAN AND CEO
BOB FISHMAN, CFO

April 28, 2015



NOTES TO INVESTORS

FORWARD-LOOKING STATEMENTS. Comments made during this conference call and in these materials contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that describe or relate to NCR's future plans, goals, intentions, strategies or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. The forward-looking statements in these materials include statements about the expected benefits of NCR's Kalpana ATM technology; industry investment trends and market conditions affecting NCR and its business; expectations for the growth of NCR's Retail Solutions business; expectations regarding the transformation of NCR's sales and services functions; the success of NCR's ongoing restructuring plan; foreign currency fluctuations and their impact on NCR's results and NCR's FY 2015 overall, FY 2015 segment and Q2 2015 financial outlook. Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR's control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors listed in Item 1a "Risk Factors" of NCR's Annual Report on Form 10-K and those factors detailed from time to time in NCR's other SEC reports. These materials are dated April 28, 2015, and 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.

NON-GAAP MEASURES. While NCR reports its results in accordance with generally accepted accounting principles in the United States (GAAP), comments made during this conference call and these materials will include the following "non-GAAP" measures: non-pension operating income (NPOI), non-GAAP diluted earnings per share (non-GAAP diluted EPS), free cash flow (FCF), operational gross margin, operational gross margin rate, expenses (non-GAAP), adjusted EBITDA, effective tax rate, non-GAAP net income and selected measures expressed on a constant currency basis. These measures are included to provide additional useful information regarding NCR's financial results, and are not a substitute for their comparable GAAP measures. Explanations of these non-GAAP measures and reconciliations of these non-GAAP measures to their directly comparable GAAP measures are included in the accompanying "Supplementary Non-GAAP Materials" and are available on the Investor Relations page of NCR's website at www.ncr.com. Descriptions of many of these non-GAAP measures are also included in NCR's SEC reports.

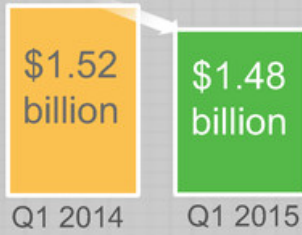
USE OF CERTAIN TERMS. As used in these materials, (i) the term "software-related revenue" includes software license, software maintenance, cloud, and professional services revenue associated with software delivery, (ii) the term "recurring revenue" means the sum of cloud, hardware maintenance and software maintenance revenue, (iii) the terms "cloud" and "cloud revenue" are used to describe NCR's software-as-a-service offerings and the revenue associated therewith (prior earnings releases and presentation materials referred to these offerings and revenues as "SaaS" and "SaaS revenue") and (iv) the term "CC" means constant currency.

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



Q1 2015 FINANCIAL RESULTS

REVENUE



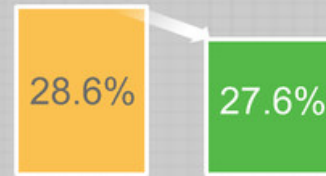
FX Impact
~(\$95M)

Q1 2014

Q1 2015

Revenue down 3% y/y, up 3% CC
Recurring revenue down 2% y/y, up 4% CC,
45% of total

OPERATIONAL GROSS MARGIN



FX Impact
~(25 bps)

Q1 2014

Q1 2015

Down 100 bps y/y, down ~75 bps CC

NPOI

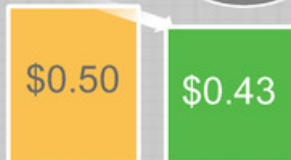


FX Impact
~(\$18M)

Q1 2014

Q1 2015

NON-GAAP EPS



FX Impact
~(\$0.08)

Q1 2014

Q1 2015

NPOI down 6% y/y, up 6% CC
Non-GAAP EPS down 14% y/y, up 2% CC

FREE CASH FLOW

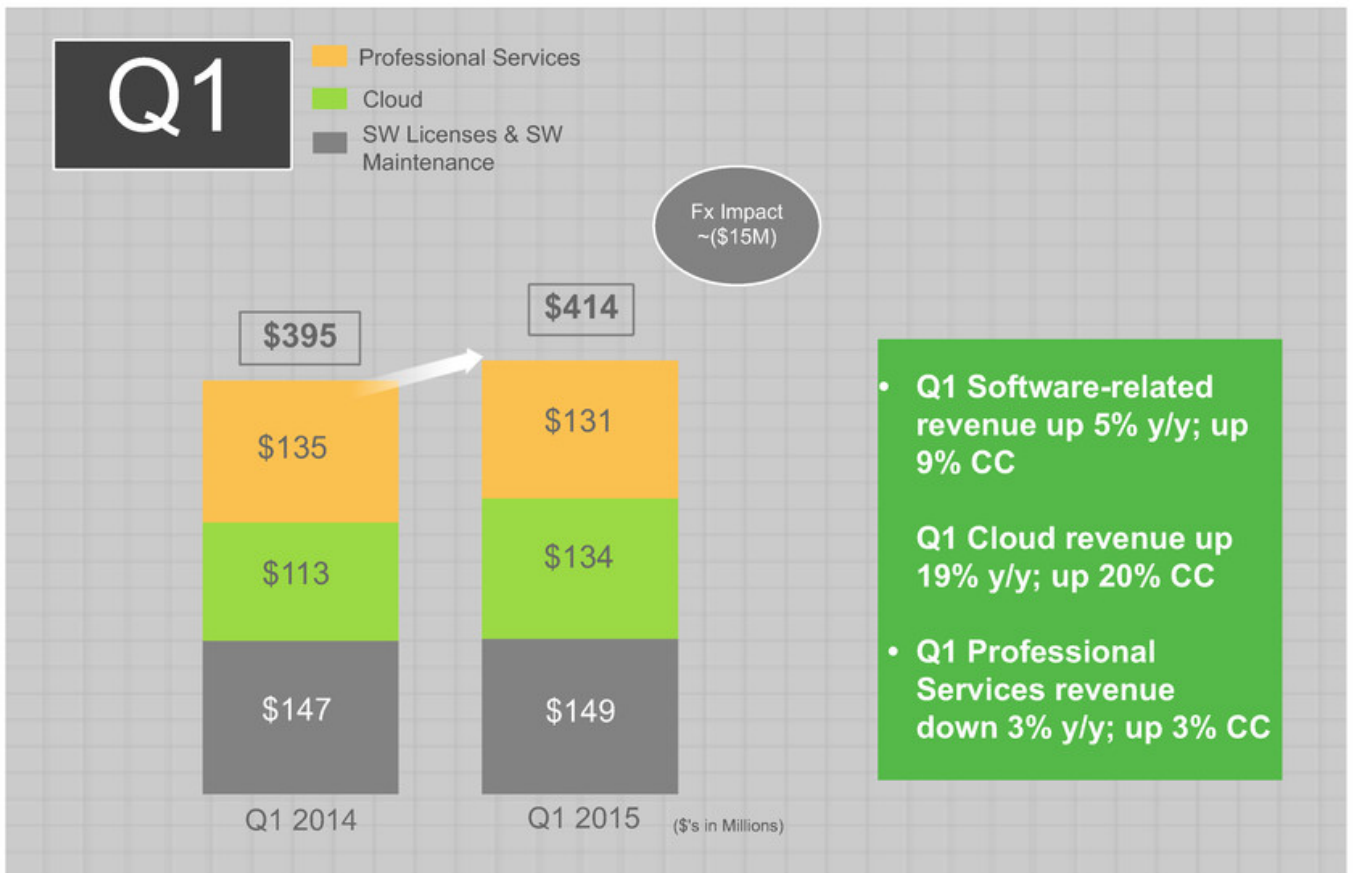


Q1 2014

Q1 2015

FCF improvement driven by cash from operations,
capital expenditures, and disc ops

SOFTWARE-RELATED REVENUE GROWTH



NCR Kalpana is here! Making omni-channel a reality

NCR Kalpana software enables the best consumer experience at the lowest cost to serve

NCR Launches Android-Based Thin Client ATMs

move ATM operations to the cloud, a global player in core technologies, has launched Kalpana, an enterprise software platform that moves ATM software and operations to the cloud. Kalpana software runs ATMs remotely, and is designed to manage and enable rapid deployment of new devices and ATM software updates.

Don't look now, but ATMs are about to get a cloud makeover

NCR Aims to Eliminate the Pain of ATM Updates

ATM and service provider NCR Corporation introduced a cloud and Android-based self-service software update platform for better transaction reliability and deployment of new devices, offering ATM service providers a 28 per cent cost savings.

NCR Launches Secure Cloud-Based ATM Software Platform

NCR has launched a secure cloud-based ATM software platform that enables financial institutions to manage their ATM software and operations remotely, reducing costs and improving service reliability.

Forbes

किसी भी बैंक मशीन से पैसा डाल र...

एक प्रकार का नया बैंक की सेवाएँ प्रदान करने के लिए...

THE ECONOMIC TIMES

NCR launches Kalpana software

MUMBAI: NCR Corporation has launched Kalpana, an enterprise software platform that moves ATM software and operations to the cloud. Kalpana software runs ATMs remotely, initially through thin client ATMs including an Android-based ultra-thin client.

BBC RADIO

NCR bets big on India

AMERICAN BANKER

NCR Launches Cloud-Based ATM Software Platform

PCWorld

NCR Launches Secure Cloud-Based ATM Software Platform

ATM

NCR Launches Cloud-Based ATM Software Platform

CNBC TV18

वलाउड वेस्ट एटीएम सो...

INTEGRATION

- Seamlessly integrates the experience across all channels
- Enables institutions to run a combination of conventional ATMs and the tablet-like, ultra-thin client Cx110

SECURITY

- Delivers the world's first ATM security certification to PCI 4.0, and is designed to eliminate malware
- Controls and originates all software updates at the server level

SPEED

- Eliminates legacy PC architecture that is inefficient and complex
- Runs ATMs remotely, enabling new customer services to be brought to market twice as fast as before

SAVINGS

- Cloud-driven creation, delivery and processing of transactions
- Management of self-service channel moved to the cloud; eliminates costly onsite service visits
- Reduces operating costs by up to 40%

NCR Shifts management of ATMs into Private Clouds



Q1 2015 SUMMARY

Q1 results in-line with expectations

- Improving execution and metrics across NCR
- Significant FX headwinds
- Well positioned across end markets

Financial Services – strong demand for omni-channel solutions

Retail Solutions – investment priorities beginning to shift back to omni-channel and customer experience solutions; expect improvement in the second half of 2015

Hospitality – higher software and cloud revenue drive strong operating margin expansion

Growth of software and cloud revenues

- Total software-related revenue up 5%; up 9% CC
- Cloud revenue up 19%; up 20% CC

Building a stronger NCR

- Sales and Services transformation gaining traction
- Services margins improving in Q1
- Restructuring initiatives on track

Free cash flow increased \$75 million



Q1 OPERATIONAL RESULTS

	For the Three Months Ended March 31			
	2015	2014	As Reported	Constant Currency
Revenue	\$1,476	\$1,518	(3)%	3%
Operational Gross Margin	407	434	(6)%	1%
Operational Gross Margin Rate	27.6%	28.6%		
Expenses (non-GAAP)	261	279	(6)%	(2)%
% of Revenue	17.7%	18.4%		
NPOI	146	155	(6)%	6%
% of Revenue	9.9%	10.2%	-30 bps	+30 bps
Interest and other expense	(51)	(50)	2%	2%
Non-GAAP Diluted EPS ⁽¹⁾	\$0.43	\$0.50	(14)%	2%

⁽¹⁾ Effective tax rate of 21% in Q1 2015 and 17% in Q1 2014.

\$ millions, except per share amounts



Q1 GAAP RESULTS

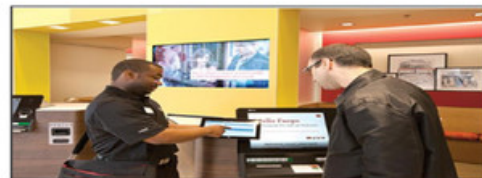
	For the Three Months Ended March 31		
	2015	2014	% Change
Revenue	\$1,476	\$1,518	(3)%
Gross Margin	390	416	(6)%
Gross Margin Rate	26.4%	27.4%	
Expenses	295	308	(4)%
% of Revenue	20.0%	20.3%	
Income from Operations	95	108	(12)%
% of Revenue	6.4%	7.1%	
Interest and other expense	(51)	(50)	2%
GAAP Diluted EPS	\$0.23	\$0.31	(26)%

\$ millions, except per share amounts



FINANCIAL SERVICES

Q1 2015 Update



Financial Results

	Q1 2015	Q1 2014	As Reported	Constant Currency
Revenue	\$798M	\$794M	1%	9%
Operating Income	\$105M	\$103M	2%	15%
Operating Income as a % of Revenue	13.2%	13.0%	+20 bps	+70 bps

Key Metrics

- Revenue up 1% as reported and up 9% CC: Growth in Americas, Europe and Middle East Africa driven by increased software-related revenue
- Operating income up 2% as reported and up 15% CC due to a higher mix of omni-channel solutions
- Cloud revenue up 19%; up 19% CC
- Software-related revenue up 10%; up 15% CC

Key Market Developments

- Performance in key markets
 - Growth in U.S., Middle East / Africa, Brazil and Western Europe
 - Continued challenges in China and Russia
- Key elements of solution portfolio
 - Branch Transformation and software license revenues were up significantly Y/Y
 - Record end user growth in Digital banking
 - Initial Kalpana™ win closed

RETAIL SOLUTIONS

Q1 2015 Update



Financial Results

	Q1 2015	Q1 2014	As Reported	Constant Currency
Revenue	\$445M	\$490M	(9%)	(4%)
Operating Income	\$16M	\$36M	(56%)	(44%)
Operating Income as a % of Revenue	3.6%	7.3%	-370 bps	-300 bps

Key Metrics

- Revenue down 9% as reported and down 4% CC; Decline in all theaters due to reduced spending by retailers
- Operating income down 56% as reported and down 44% CC due to lower volume and a less favorable mix of software-related revenue
- Cloud revenue flat; up 4% CC
- Software-related revenue down 3%; up 1% CC

Key Market Developments

- As expected, challenging retail market impacting results in Q1 with improvement forecasted in the second half of 2015; Positive momentum in orders in Q1
- Improving demand for our omni-channel and self-checkout solutions in Greater China, Southeast Asia and Russia
- Significant Services win in Q1 resulting from strong Customer Service execution

HOSPITALITY

Q1 2015 Update



Financial Results

	Q1 2015	Q1 2014	As Reported	Constant Currency
Revenue	\$148M	\$149M	(1%)	1%
Operating Income	\$18M	\$12M	50%	50%
Operating Income as a % of Revenue	12.2%	8.1%	+410 bps	+410 bps

Key Metrics

- Revenue down 1% as reported and up 1% CC due to higher software-related revenue partially offset by lower hardware revenue
- Operating income up 50% as reported due to higher software-related revenue including cloud revenue
- Cloud revenue up 24%; up 26% CC
- Software-related revenue up 14%; up 15% CC

Key Market Developments

- International software-related revenue grew by 33% y/y
- Cloud application sites up 21% y/y
- Continuing to advance North America SMB market strategy with 11% revenue growth y/y and 21% software-related revenue growth y/y
- Software revenue growth driven by increasing wallet share with our existing customers through implementation of omni-channel solutions

EMERGING INDUSTRIES

Q1 2015 Update



Financial Results

	Q1 2015	Q1 2014	As Reported	Constant Currency
Revenue	\$85M	\$85M	—%	8%
Operating Income	\$7M	\$4M	75%	125%
Operating Income as a % of Revenue	8.2%	4.7%	+350 bps	+510 bps

Key Metrics

- Revenue flat as reported and up 8% CC; Growth driven by Telecom & Technology revenue, up 6%
- Operating income up 75% as reported and up 125% CC due to higher services margins

Key Market Developments

Telecom & Technology

- Base expansion wins in new portfolios: Advanced and Managed Services
- Added two new Telecom expansion accounts

Travel

- Delivered a record 40M mobile airline boarding passes in Q1 2015, up 172% y/y

Small Business (NCR Silver)

- Increased adoption of NCR Silver; Customer base up 11% over Q4 2014 and up 127% y/y

Q1 SUPPLEMENTAL REVENUE INFORMATION

	For the Periods Ended March 31			
	Three Months			
	2015	2014	% Change	% Change (Constant Currency)
Cloud	\$134	\$113	19%	20%
Software License and Software Maintenance	149	147	1%	6%
Professional Services	131	135	(3%)	3%
Total Software-Related Revenue	414	395	5%	9%
Hardware	539	570	(5%)	2%
Other Services	523	553	(5%)	2%
Total Revenue	\$1,476	\$1,518	(3%)	3%

\$ millions



FREE CASH FLOW

	Q1 2015	Q1 2014	FY 2015e	FY 2014
Cash Provided by Operating Activities ⁽¹⁾	\$79	\$31	\$595 - \$625	\$524
Net capital expenditures	(51)	(66)	(215) - (235)	(258)
Cash used In Discontinued Operations	(4)	(16)	(35)	(1)
Pension discretionary contributions and settlements	—	—	—	48
Free Cash Flow	\$24	(\$51)	\$325 - \$375	\$313
Free Cash Flow as a % of non-GAAP net income			~75%	67%

⁽¹⁾ Includes cash tax rate of 12% in FY 2014 and an expected cash tax rate of 13% in FY 2015.

\$ millions, except metrics



RESTRUCTURING PROGRESS UPDATE

Expected Savings

- ~\$18M in 2014, ~\$70M in 2015 and ~\$105M in 2016
- ~50% of the savings benefiting NPOI in each year

GAAP Income Statement Impact

- Total charge of \$200M to \$225M from 2014 through 2015;
- \$16M in Q1 2015
- ~\$21M to ~\$46M remaining in FY 2015

Cash Impact

- Total cash impact of \$100M to \$115M from 2014 through 2015;
- \$16M in Q1 2015
- ~\$55M to ~\$70M remaining in FY 2015



NET DEBT & EBITDA METRICS

	Q1 2014	Q4 2014	Q1 2015
Debt	\$3,949	\$3,659	\$3,615
Cash	515	511	462
Net Debt	\$3,434	\$3,148	\$3,153
Adjusted EBITDA	\$904 ⁽¹⁾	\$1,000	\$996 ⁽¹⁾
Net Debt / Adjusted EBITDA	3.8x	3.1x	3.2x

⁽¹⁾ Adjusted EBITDA for the trailing twelve-month period.

\$ in millions, except metrics

Goal for Net Debt / Adjusted EBITDA under 3x in 2015



FY 2015 GUIDANCE

	2015 Guidance	2014
Revenue	\$6,525 - \$6,675	\$6,591
Year-over-Year Revenue Growth	(1%) to 1%	8%
Constant Currency Year-Over-Year Revenue Growth	5% to 7% ⁽¹⁾	10%
Income from Operations (GAAP) ⁽²⁾	\$625 - \$690	\$353
Non-Pension Operating Income (NPOI)	\$830 - \$870	\$820
Adjusted EBITDA	\$1,047 - \$1,087	\$1,000
Diluted EPS (GAAP) ⁽²⁾	\$1.80 - \$2.10	\$1.06
Non-GAAP Diluted EPS ⁽³⁾	\$2.60 - \$2.80	\$2.74
Cash Flow from Operating Activities	\$595 - \$625	\$524
Free Cash Flow	\$325 - \$375	\$313

\$ in millions, except per share amounts

- (1) Expected constant currency growth has been adjusted from 4% to 6% to 5% to 7% to reflect an increase of 1% in anticipated unfavorable foreign currency impact. We previously expected unfavorable foreign currency impacts of approximately 5% in revenue and now expect unfavorable foreign currency impacts of approximately 6% in revenue.
- (2) Income from operations and diluted earnings per share guidance excludes the impact of the actuarial mark to market pension adjustment that will be determined in the fourth quarter of 2015 and the impact of the transfer of the UK London plan to an insurer that is expected to occur in 2015 or early 2016. The UK London plan was approximately \$420 million overfunded as of December 31, 2014.
- (3) 2015 guidance includes expected other expense (income), net (OIE) of \$215M to \$220M, a 25% tax rate and a share count of 175M. 2014 results include OIE of \$213M, a 22% tax rate and a share count of 171.2M.



2015 SEGMENT REVENUE GUIDANCE

Segment	2015e	2015e Constant Currency	FY 2014
Financial Services	(2%) to 0%	4% to 6%	\$3,561
Retail Solutions	(1%) to 1%	4% to 6%	\$2,008
Hospitality	3% to 7%	5% to 9%	\$659
Emerging Industries	(6%) to (1%)	0% to 5%	\$363
Total	(1%) to 1%	5% to 7%	\$6,591

\$ in millions



Q2 2015 GUIDANCE

	Q2 2015e	Q2 2014
Income from Operations (GAAP)	\$140 - \$150 ⁽¹⁾	\$169
Non-Pension Operating Income (Non-GAAP)	\$190 - \$200 ⁽²⁾	\$210
Tax rate	28%	27%
Other expense	~\$55	\$49

⁽¹⁾ Includes an estimated pre-tax charge of \$14M in Q2 2015 related to the ongoing restructuring plan.

⁽²⁾ Includes an estimated unfavorable foreign currency impact of approximately \$20M in NPOI in Q2 2015.

\$ millions



SUPPLEMENTARY
NON-GAAP MATERIALS

NON-GAAP MEASURES

While NCR reports its results in accordance with generally accepted accounting principles (GAAP) in the United States, comments made during this conference call and in these materials will include non-GAAP measures. These measures are included to provide additional useful information regarding NCR's financial results, and are not a substitute for their comparable GAAP measures.

NPOI, Non-GAAP Diluted EPS, Operational Gross Margin, Operational Gross Margin Rate, Expenses (non-GAAP), Effective Tax Rate and Non-GAAP Net Income. NCR's non-pension operating income (NPOI), non-GAAP net income and non-GAAP diluted earnings per share (non-GAAP diluted EPS) are determined by excluding pension expense and special items, including amortization of acquisition related intangibles, from NCR's GAAP income (loss) from operations. NCR also determines operational gross margin, operational gross margin rate, expenses (non-GAAP) and effective tax rate (non-GAAP) by excluding pension expense and these special items from its GAAP gross margin, gross margin rate, expenses and effective tax rate. 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, NCR's management uses these non-GAAP measures to evaluate year-over-year operating performance. NCR also uses NPOI and non-GAAP diluted EPS to manage and determine the effectiveness of its business managers and as a basis for incentive compensation. NCR believes these measures are useful for investors because they provide a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with NCR's past reports of financial results.

Free Cash Flow. 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, additions to capitalized software, discretionary pension contributions and settlements. 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. Free cash flow (FCF) do not have uniform definitions under GAAP and, therefore, NCR's definition may differ from other companies' definition of this measure.



NON-GAAP MEASURES

Adjusted EBITDA. NCR believes that Adjusted EBITDA (adjusted earnings before interest, taxes, depreciation and amortization) provides useful information to investors because it is an indicator of the strength and performance of the Company's ongoing business operations, including its ability to fund discretionary spending such as capital expenditures, strategic acquisitions and other investments. NCR determines Adjusted EBITDA for a given period based on its GAAP income (loss) from continuing operations plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus other income (expense); plus pension expense (benefit); and plus special items included in the definition of NPOI. NCR believes that its ratio of net debt to Adjusted EBITDA provides useful information to investors because it is an indicator of the company's ability to meet its future financial obligations.

Constant Currency. NCR presents certain measures, such as period-over-period revenue growth, on a constant currency basis, which excludes the effects of foreign currency translation. Due to the continuing strengthening of the U.S. dollar against foreign currencies and the overall variability of foreign exchange rates from period to period, NCR's management uses these measures on a constant currency basis to evaluate period-over-period operating performance. Measures presented on a constant currency basis are calculated by translating current period results at prior period monthly average exchange rates.

NCR management's definitions and calculations 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. These non-GAAP measures are reconciled to their corresponding GAAP measures in the following slides and elsewhere in these materials. These reconciliations and other information regarding these non-GAAP measures are also available on the Investor Relations page of NCR's website at www.ncr.com.



GAAP TO NON-GAAP RECONCILIATION

Income from Operations (GAAP) to Non-Pension Operating Income (non-GAAP) and Adjusted EBITDA (non-GAAP)

in millions	Q1 2014 LTM	FY 2014	Q1 2015 LTM	FY 2015e	Q2 2015e	Q2 2014
Income from Operations (GAAP)	\$689	\$353	\$340	\$625 - \$690	\$140 - \$150	\$169
Pension Expense (Benefit)	(86)	152	153	3	1	2
Restructuring Plan	—	160	176	39 - 64	14	—
Acquisition-Related Amortization of Intangibles	81	119	121	127	3	30
Acquisition-Related Costs	44	27	15	10	32	6
Acquisition-Related Purchase Price Adjustment	12	6	3	—	—	2
OFAC and FCPA Investigations ⁽¹⁾	3	3	3	1	—	1
Non-Pension Operating Income (non-GAAP)	\$743	\$820	\$811	\$830 - \$870	\$190 - \$200	\$210
Depreciation and Amortization	132	152	157	175		
Ongoing Pension Expense	(12)	(3)	(2)	(3)		
Stock Compensation Expense	41	31	30	45		
Adjusted EBITDA	\$904	\$1,000	\$996	\$1,047 - \$1,087		

⁽¹⁾ Estimated expenses for 2015 will be affected by, among other things, the status and progress of these matters. There can be no assurance that the Company will not be subject to fines or other remedial measures as a result of OFAC's, the SEC's or the DOJ's investigations.

GAAP TO NON-GAAP RECONCILIATION

Q1 2015 QTD

in millions (except per share amounts)

	Q1 QTD 2015 GAAP	Restructuring plan	Acquisition- related amortization of intangibles	Acquisition- related costs	Acquisition- related purchase price adjustments	OFAC and FCPA Investigations	Pension (expense) benefit	Q1 QTD 2015 non-GAAP
Product revenue	\$604	\$—	\$—	\$—	\$—	\$—	\$—	\$604
Service revenue	872	—	—	—	—	—	—	872
Total revenue	1,476	—	—	—	—	—	—	1,476
Cost of products	483	(1)	(10)	—	—	—	—	472
Cost of services	603	—	(6)	—	—	—	—	597
Gross margin	390	1	16	—	—	—	—	407
Gross margin rate	26.4%	0.1%	1.1%	—%	—%	—%	—%	27.6%
Selling, general and administrative expenses	225	—	(16)	(2)	—	(1)	—	206
Research and development expenses	55	—	—	—	—	—	—	55
Restructuring-related charges	15	(15)	—	—	—	—	—	—
Total expenses	295	(15)	(16)	(2)	—	(1)	—	261
<i>Total expense as a % of revenue</i>	<i>20.0%</i>	<i>(1)%</i>	<i>(1.1)%</i>	<i>(0.1)%</i>	<i>—%</i>	<i>(0.1)%</i>	<i>—%</i>	<i>17.7%</i>
Income (loss) from operations	95	16	32	2	—	1	—	146
<i>Income (loss) from operations as a % of revenue</i>	<i>6.4%</i>	<i>1.1%</i>	<i>2.2%</i>	<i>0.1%</i>	<i>—%</i>	<i>0.1%</i>	<i>—%</i>	<i>9.9%</i>
Interest and Other (expense) income, net	(51)	—	—	—	—	—	—	(51)
Income (loss) from continuing operations before income taxes	44	16	32	2	—	1	—	95
Income tax expense (benefit)	2	5	11	1	—	1	—	20
<i>Effective tax rate</i>	<i>5%</i>							<i>21%</i>
Income (loss) from continuing operations	42	11	21	1	—	—	—	75
Net income (loss) attributable to noncontrolling interests	2	—	—	—	—	—	—	2
Income (loss) from continuing operations (attributable to NCR)	\$40	\$11	\$21	\$1	\$—	\$—	\$—	\$73
Diluted earnings per share	\$0.23	\$0.07	\$0.12	\$0.01	\$—	\$—	\$—	\$0.43
Diluted shares outstanding	171.6							171.6



GAAP TO NON-GAAP RECONCILIATION

Q1 2014 QTD

	Q1 2014 GAAP	Acquisition- related amortization of intangibles	Acquisition- related costs	Acquisition- related purchase price adjustments	OFAC and FCPA Investigations	Pension (expense) benefit	Q1 2014 non-GAAP
in millions (except per share amounts)							
Product revenue	\$634	—	—	—	—	—	\$634
Service revenue	884	—	—	—	—	—	884
Total revenue	1,518	—	—	—	—	—	1,518
Cost of products	476	(10)	—	(2)	—	—	464
Cost of services	626	(6)	—	(1)	—	1	620
Gross margin	416	16	—	3	—	(1)	434
Gross margin rate	27.4%	1.1%	—%	0.2%	—%	-0.1%	28.6%
Selling, general and administrative expenses	245	(14)	(14)	—	(1)	—	216
Research and development expenses	63	—	—	—	—	—	63
Total expenses	308	(14)	(14)	—	(1)	—	279
<i>Total expense as a % of revenue</i>	<i>20.3%</i>	<i>(0.9)%</i>	<i>(0.9)%</i>	<i>—%</i>	<i>(0.1)%</i>	<i>—%</i>	<i>18.4%</i>
Income (loss) from operations	108	30	14	3	1	(1)	155
<i>Income (loss) from operations as a % of revenue</i>	<i>7.1%</i>	<i>2.0%</i>	<i>0.9%</i>	<i>0.2%</i>	<i>0.1%</i>	<i>(0.1)%</i>	<i>10.2%</i>
Interest and Other (expense) income, net	(50)	—	—	—	—	—	(50)
Income (loss) from continuing operations before income taxes	58	30	14	3	1	(1)	105
Income tax expense (benefit)	4	10	4	1	—	(1)	18
<i>Effective tax rate</i>	<i>7%</i>						<i>17%</i>
Income (loss) from continuing operations	54	20	10	2	1	—	87
Net income (loss) attributable to noncontrolling interests	1	—	—	—	—	—	1
Income (loss) from continuing operations (attributable to NCR)	\$53	\$20	\$10	\$2	\$1	\$—	\$86
Diluted earnings per share	\$0.31	\$0.11	\$0.06	\$0.01	\$0.01	\$—	\$0.50
Diluted shares outstanding	171.0						171.0

GAAP TO NON-GAAP RECONCILIATION

Q2 2014 QTD

	Q2 QTD 2014 GAAP	Acquisition- related amortization of intangibles	Acquisition- related costs	Acquisition- related purchase price adjustments	OFAC and FCPA Investigations	Pension (expense) benefit	Q2 QTD 2014 non-GAAP
in millions (except per share amounts)							
Product revenue	\$722	—	—	—	—	—	\$722
Service revenue	936	—	—	—	—	—	936
Total revenue	1,658	—	—	—	—	—	1,658
Cost of products	531	(10)	—	(1)	—	—	520
Cost of services	647	(6)	—	(1)	—	—	640
Gross margin	480	16	—	2	—	—	498
Gross margin rate	29.0%	1%	—%	0.1%	—%	—%	30%
Selling, general and administrative expenses	247	(14)	(6)	—	(1)	(1)	225
Research and development expenses	64	—	—	—	—	(1)	63
Total expenses	311	(14)	(6)	—	(1)	(2)	288
<i>Total expense as a % of revenue</i>	<i>18.8%</i>	<i>(0.8)%</i>	<i>(0.4)%</i>	<i>—%</i>	<i>(0.1)%</i>	<i>(0.1)%</i>	<i>17.4%</i>
Income (loss) from operations	169	30	6	2	1	2	210
<i>Income (loss) from operations as a % of revenue</i>	<i>10.2%</i>	<i>1.8%</i>	<i>0.4%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>12.7%</i>
Interest and Other (expense) income, net	(49)	—	—	—	—	—	(49)
Income (loss) from continuing operations before income taxes	120	30	6	2	1	2	161
Income tax expense (benefit)	29	10	1	—	1	2	43
<i>Effective tax rate</i>	<i>24%</i>						<i>27%</i>
Income (loss) from continuing operations	91	20	5	2	—	—	118
Net income (loss) attributable to noncontrolling interests	1	—	—	—	—	—	1
Income (loss) from continuing operations (attributable to NCR)	\$90	\$20	\$5	\$2	\$—	\$—	\$117
Diluted earnings per share	\$0.53	\$0.11	\$0.03	\$0.01	\$—	\$—	\$0.68
Diluted shares outstanding	170.9						170.9



GAAP TO NON-GAAP RECONCILIATION

FY 2014

	FY 2014 GAAP	Restructuring plan	Acquisition- related amortization of intangibles	Acquisition- related costs	Acquisition- related purchase price adjustments	OFAC and FCPA Investigations	Pension (expense) benefit	FY 2014 non-GAAP
in millions (except per share amounts)								
Product revenue	\$2,892	—	—	—	—	—	—	\$2,892
Service revenue	3,699	—	—	—	—	—	—	3,699
Total revenue	6,591	—	—	—	—	—	—	6,591
Cost of products	2,153	(9)	(39)	—	(4)	—	(3)	2,098
Cost of services	2,706	(47)	(24)	—	(2)	—	(82)	2,551
Gross margin	1,732	56	63	—	6	—	85	1,942
Gross margin rate	26.3%	0.8%	1%	—%	0.1%	—%	1.3%	29.5%
Selling, general and administrative expenses	1,012	—	(56)	(27)	—	(3)	(48)	878
Research and development expenses	263	—	—	—	—	—	(19)	244
Restructuring-related charges	104	(104)	—	—	—	—	—	—
Total expenses	1,379	(104)	(56)	(27)	—	(3)	(67)	1,122
Total expense as a % of revenue	20.9%	(1.6)%	(0.8)%	(0.4)%	—%	—%	(1.1)%	17%
Income (loss) from operations	353	160	119	27	6	3	152	820
Income (loss) from operations as a % of revenue	5.4%	2.4%	1.8%	0.4%	0.1%	—%	2.3%	12.4%
Interest and Other (expense) income, net	(216)	3	—	—	—	—	—	(213)
Income (loss) from continuing operations before income taxes	137	163	119	27	6	3	152	607
Income tax expense (benefit)	(48)	45	39	7	2	1	86	132
Effective tax rate	(35)%							22%
Income (loss) from continuing operations	185	118	80	20	4	2	66	475
Net income (loss) attributable to noncontrolling interests	4	2	—	—	—	—	—	6
Income (loss) from continuing operations (attributable to NCR)	\$181	\$116	\$80	\$20	\$4	\$2	\$66	\$469
Diluted earnings per share	\$1.06	\$0.68	\$0.47	\$0.12	\$0.02	\$0.01	\$0.38	\$2.74
Diluted shares outstanding	171.2							171.2



GAAP TO NON-GAAP RECONCILIATION

Diluted Earnings per Share (GAAP) to Non-GAAP Diluted Earnings per Share (non-GAAP)

FY 2015e

Diluted EPS (GAAP)	\$1.80 - \$2.10
Pension Expense (Benefit)	0.01
Restructuring Plan	0.18 - 0.28
Acquisition-Related Costs	0.04
Acquisition-Related Amortization of Intangibles	0.47
Acquisition-Related Purchase Price Adjustment	—
OFAC and FCPA Investigations ⁽¹⁾	—
Non-GAAP Diluted EPS	\$2.60 - \$2.80

⁽¹⁾ Estimated expenses for 2015 will be affected by, among other things, the status and progress of these matters. There can be no assurance that the Company will not be subject to fines or other remedial measures as a result of OFAC's, the SEC's or the DOJ's investigations.



GAAP TO NON-GAAP RECONCILIATION

Revenue Growth % (GAAP) to Revenue Growth % on a Constant Currency Basis (non-GAAP)

	Q1 2015		
	Revenue Growth % (GAAP)	Favorable (unfavorable) FX impact	Constant Currency Revenue Growth % (non-GAAP)
Financial Services	1%	(8)%	9%
Retail Solutions	(9)%	(5)%	(4)%
Hospitality	(1)%	(2)%	1%
Emerging Industries	—%	(8)%	8%
Total Revenue	(3)%	(6)%	3%

GAAP TO NON-GAAP RECONCILIATION

Revenue Growth % (GAAP) to Revenue Growth % on a Constant Currency Basis (non-GAAP)

	Q1 2015		
	Revenue Growth % (GAAP)	Favorable (unfavorable) FX impact	Constant Currency Revenue Growth % (non-GAAP)
Cloud	19%	(1)%	20%
Software License/ Software Maintenance	1%	(5)%	6%
Professional Services	(3)%	(6)%	3%
Total Software Related	5%	(4)%	9%
Hardware	(5)%	(7)%	2%
Other Services	(5)%	(7)%	2%
Total Revenue	(3)%	(6)%	3%

GAAP TO NON-GAAP RECONCILIATION

Operating Income Growth % (GAAP) to Operating Income Growth % on a Constant Currency Basis (non-GAAP)

	Q1 2015		
	Operating Income Growth % Reported	Favorable (unfavorable) FX impact	Constant Currency Operating Income Growth % (non- GAAP)
Financial Services	2%	(13)%	15%
Retail Solutions	(56)%	(12)%	(44)%
Hospitality	50%	—%	50%
Emerging Industries	75%	(50)%	125%
Total Operating Income	(6)%	(12)%	6%

GAAP TO NON-GAAP RECONCILIATION

Operating Income Growth bps (GAAP) to
Operating Income Growth bps on a Constant Currency Basis (non-GAAP)

	Q1 2015		
	Operating Income bps Growth Reported	Favorable (unfavorable) FX impact	Constant Currency Operating Income bps Growth (non- GAAP)
Financial Services	+20 bps	-50 bps	+70 bps
Retail Solutions	-370 bps	-70 bps	-300 bps
Hospitality	+410 bps	— bps	+410 bps
Emerging Industries	+350 bps	-160 bps	+510 bps
Total Operating Income	-30 bps	-60 bps	+30 bps



