
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): September 30, 2007

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.)

1700 S. Patterson Blvd.
Dayton, Ohio 45479
(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))
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Item 1.01 Entry into a Material Definitive Agreement

On September 30, 2007, the distribution (Distribution) by NCR Corporation (NCR, the Company, we or us) of all of the outstanding shares of common stock of Teradata Corporation (Teradata) to the stockholders of the Company was completed in a spin-off intended to qualify for tax-free treatment. In connection with the spin-off, the following agreements between Teradata and NCR became effective: Interim Services and Systems Replication Agreement; Exclusive Patent Agreement; Patent License Agreement; Technology Agreement; Master Agreement for Enterprise Data Warehousing Sales and Support; Network Support Agreement; Service Provider Agreement and Master Reseller Agreement. The terms of these agreements were described in Teradata's Information Statement dated August 27, 2007, which was filed on August 31, 2007 as Exhibit 99.2 to NCR's current report on Form 8-K, and the forms were attached as exhibits to Teradata's Amendment No. 2 to Form 10 filed August 21, 2007.

A copy of the press release announcing the completion of the spin-off is attached hereby as Exhibit 99.1 and incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

As described in Item 1.01 above, upon the Distribution of Teradata, NCR stockholders received 100% (approximately 181 million shares) of the common stock of Teradata, which is now an independent public company trading under the symbol "TDC", on the New York Stock Exchange. On the Distribution date, NCR stockholders of record as of September 14, 2007 ("Record Date") received one share of Teradata common stock for every share of NCR common stock held as of the Record Date. The unaudited pro forma financial information of NCR and related notes thereto, which are attached to this Current Report on Form 8-K as Exhibit 99.3, give effect to this disposition.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As anticipated as previously reported by NCR on its current report on Form 8-K filed July 31, 2007, in connection with the spin-off, the following changes to the composition of NCR's board of directors were effective September 30, 2007:

- Messrs. James Ringler, William Stavropoulos and Victor Lund resigned from the board of directors of NCR and its associated Committees;
- William Nuti was appointed chairman of the NCR board; and
- Linda Fayne Levinson was appointed lead independent director of the NCR board.

Also effective as of September 30, 2007, the membership of the committees of NCR's board of directors is now as follows:

- Audit Committee: Messrs. Boykin (Chair), Prahalad and Daichendt;
- Compensation and Human Resource Committee: Ms. Levinson (Chair) and Mr. Frissora;
- Committee on Directors and Governance: Messrs. Prahalad (Chair) and Boykin; and
- Executive Committee: Messrs. Nuti, Boykin and Prahalad and Ms. Levinson.

Item 8.01 Other Events

A copy of the legal opinion issued by Wachtell, Lipton, Rosen and Katz regarding the tax treatment of the spin-off is attached hereto as Exhibit 99.2.

Item 9.01 Financial Statements and 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 October 1, 2007
99.2	Tax Opinion of Wachtell, Lipton, Rosen & Katz in connection with the Spin-Off of Teradata, dated August 27, 2007
99.3	Unaudited Pro Forma Financial Information

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: October 4, 2007

By: /s/ Nelson F. Greene

Nelson F. Greene

Vice President, Deputy General Counsel and Assistant Secretary



NCR Completes Teradata Spin Off

DAYTON, Ohio - [NCR Corporation](#) (NYSE: NCR) today announced that it has completed the previously announced spin off of its Teradata Data Warehousing business through the distribution of a tax-free stock dividend to its stockholders. NCR distributed one share of common stock of Teradata for each share of NCR common stock to NCR stockholders of record as of the close of business on Sept. 14, 2007.

As a result of that distribution, NCR no longer owns shares of Teradata, and Teradata is an independent company. Beginning Oct. 1, 2007, Teradata common stock is listed on the New York Stock Exchange (NYSE) and trades under the symbol "TDC."

"I am extremely grateful for the tremendous efforts all of our employees have made over the past nine months to realize this momentous event," said Bill Nuti, chairman, chief executive officer and president of NCR. "As Teradata moves forward as an independent company, we wish the talented Teradata team all the best as they continue to build on their position as a global leader in the enterprise data warehousing market.

"This is a very exciting time for NCR as we guide businesses through the evolving world of customer interactions - where point-of-service kiosks, Internet and mobile devices are rapidly becoming channels of choice for consumers," Nuti added. "NCR will leverage our expertise in the emerging self-service market and our market-leading technologies, including automated teller machines, retail assisted point-of-sale and self-checkout systems, automated bill payment systems and airline, hotel and hospital self-check-in/out kiosks, to enable businesses to better serve their customers how, when and where they choose."

About NCR Corporation

NCR Corporation (NYSE: NCR) is a global technology company leading the way businesses interact with customers. NCR's assisted- and self-service solutions and comprehensive support services address the needs of retail, financial, travel, healthcare, hospitality, gaming and public sector organizations in more than 100 countries. NCR (www.ncr.com) is headquartered in Dayton, Ohio.

Teradata is a registered trademark of Teradata Corporation in the United States and other countries. NCR is a trademark of NCR Corporation in the United States and other countries.

Note to Investors

This news release contains forward-looking statements, including statements as to anticipated or expected results, beliefs, opinions and future financial performance, within the meaning of Section 21E of the Securities and Exchange Act of 1934. Forward-looking statements include projections of revenue, profit growth and other financial items, future economic performance and statements concerning analysts' earnings estimates, among other things. These forward-looking statements are based on current expectations and assumptions and involve risks and uncertainties that could cause NCR's actual results to differ materially.

In addition to the factors discussed in this release, other risks and uncertainties include those relating to: the separation of Teradata and NCR's other businesses, including the impact on NCR of operating without the Teradata business; the uncertain economic climate and its impact on the markets in general or on the ability of our suppliers to meet their commitments to us, or the timing of purchases by our current and potential customers and other general economic and business conditions; the timely development, production or acquisition and market acceptance of new and existing products and services (such as self-service technologies and enterprise data warehousing), including our ability to accelerate market acceptance of new products and services; shifts in market demands, continued competitive factors and pricing pressures and their impact on our ability to improve gross margins and profitability, especially in our more mature offerings; the effect of currency translation; short product cycles, rapidly changing technologies and maintaining competitive leadership position with respect to our solution offerings; tax rates; ability to execute our business and reengineering plans; turnover of workforce and the ability to attract and retain skilled employees, especially in light of continued cost-control measures being taken by the company; availability and successful exploitation of new acquisition and alliance opportunities; changes in Generally Accepted Accounting Principles (GAAP) and the resulting impact, if any, on the company's accounting policies; continued efforts to establish and maintain best-in-class internal information technology and control systems; and other factors detailed from time to time in the company's U.S. Securities and Exchange Commission reports and the company's annual reports to stockholders. The company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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August 27, 2007

NCR Corporation and its Board of Directors
 1700 South Patterson Blvd.
 Dayton, Ohio 45479

Ladies and Gentlemen:

We have acted as special counsel to NCR Corporation, a Maryland corporation ("NCR"), in connection with the transactions contemplated by the Separation and Distribution Agreement (the "Agreement"), to be entered into by and between NCR and Teradata Corporation ("Teradata"), a Delaware corporation and a subsidiary of NCR International, Inc. ("NCR International"), a Delaware corporation and a subsidiary of NCR. At your request, we are rendering our opinion as to certain United States federal income tax consequences of certain transactions contemplated by the Agreement. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Officer's Certificate of NCR dated as of the date hereof and delivered in connection herewith.

In providing our opinion, we have reviewed: (i) the Agreement; (ii) the Tax Sharing Agreement to be entered into by and between NCR and Teradata; (iii) the ruling request relating to Section 355 of the Code and related provisions filed by NCR with the Internal Revenue Service in connection with the transactions contemplated by the Agreement and all supplemental submissions filed in connection therewith (together, the "Request for Rulings")

(but not the ruling request filed by NCR with the Internal Revenue Service, or any supplemental submissions, relating to Section 59(e) of the Code (the "Section 59(e) Request")); (iv) the private letter ruling issued to NCR by the Internal Revenue Service in response to the Request for Rulings (the "Private Letter Ruling"); (v) the registration statement of Teradata on Form 10 and the exhibits thereto, including the information statement to be sent by NCR to shareholders of NCR in connection with the External Spin-Off (collectively, the "Form 10"); (vi) certain resolutions adopted by the Board of Directors of NCR; and (vii) such other documents, records and papers as we have deemed necessary or appropriate in order to give the opinion set forth herein.

For purposes of the opinion set forth below, we have assumed: (i) that the statements and representations contained, respectively, in the Request for Rulings, the Private Letter Ruling and the Officer's Certificates of NCR, NCR International and Teradata delivered in connection herewith (including all appendices thereto) are true, complete, and correct as of the date hereof and will remain true, complete, and correct at all times up to and including the date of the External Spin-Off; (ii) that all statements and representations made to the knowledge or belief of any person or entity or with comparable qualification are true, complete, and correct as if made without such qualification; (iii) that all documents submitted to us as originals are authentic and that all documents submitted to us as copies conform to the originals; (iv) that the transactions contemplated by the Agreement will be consummated as described in the Request for Rulings and the Private Letter Ruling; (v) that NCR, NCR International and Teradata will treat the Internal Spin-Off and External Spin-Off for United States federal income tax consequences in a manner consistent with the opinion set forth below; (vi) that the Form 10, NCR's annual report on Form 10-K for its fiscal year ended December 31, 2006, and NCR's proxy statement relating to the annual meeting of NCR's shareholders held on April 25, 2007 are true, complete, and correct; and (vii) that all applicable reporting requirements have been or will be satisfied. If any of the above described assumptions is untrue for any reason, or if the transactions are consummated in a manner that is different from the manner described in the Request for Rulings and the Private Letter Ruling, our opinion as expressed below may be adversely affected. Further, we have relied on the Private Letter Ruling.

Based upon and subject to the foregoing, it is our opinion that, under presently applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the rules and regulations promulgated thereunder:

1. The transfer by NCR International of property relating to its enterprise data warehousing business to Teradata in the First Contribution and the assumption by Teradata of related liabilities in the First Contribution, followed by the distribution by NCR International of Teradata common stock to NCR pursuant to the Internal Spin-Off will qualify as a reorganization under Section 368(a)(1)(D) of the Code, and NCR International and Teradata each will be a "party to a reorganization" within the meaning of Section 368(b) of the Code;
2. The Internal Spin-Off will be a transaction described in Section 355(a) of the Code, and the Teradata common stock will be qualified property for purposes of Section 361(c)(2) of the Code;

3. Pursuant to Sections 355, 357(a), 361 and 1032, no gain or loss will be recognized by NCR International or Teradata solely by reason of the First Contribution or the Internal Spin-Off, other than with respect to any “excess loss account” or “intercompany transaction” required to be taken into account under Treasury Regulations relating to consolidated returns;
4. Pursuant to Section 355(a), no gain or loss will be recognized by (and no amount will be includible in the income of) NCR solely by reason of NCR’s receipt of Teradata common stock in the Internal Spin-Off;
5. The transfer by NCR of property relating to its enterprise data warehousing business to Teradata in the Second Contribution and the assumption by Teradata of related liabilities in the Second Contribution, followed by the distribution by NCR of Teradata common stock to holders of shares of NCR common stock pursuant to the External Spin-Off will qualify as a reorganization under Section 368(a)(1)(D) of the Code, and NCR and Teradata each will be a “party to a reorganization” within the meaning of Section 368(b) of the Code;
6. The External Spin-Off will be a transaction described in Section 355(a) of the Code, and the Teradata common stock will be qualified property for purposes of Section 361(c)(2) of the Code;
7. Pursuant to Sections 355, 357(a), 361 and 1032, no gain or loss will be recognized by NCR or Teradata solely by reason of the Second Contribution or the External Spin-Off, other than with respect to any “excess loss account” or “intercompany transaction” required to be taken into account under Treasury Regulations relating to consolidated returns; and
8. Pursuant to Section 355(a), no gain or loss will be recognized by (and no amount will be includible in the income of) any holder of shares of NCR common stock solely by reason of the holder’s receipt of Teradata common stock in the External Spin-Off.

We render no opinion as to the federal income tax consequences of (i) the transactions under any other provisions of the Code (including Section 367, Section 482, Section 904(f), Section 1248 and the provisions relating to “dual consolidated losses”); (ii) any expenditures for which an election under Section 59(e) has been made; or (iii) any conditions existing at the time of, or resulting from, the transactions that are not specifically covered above. We render no opinion regarding any aspect of the transactions addressed in the Section 59(e) Request. We render no opinion as to the federal income tax consequences of the CV Spin-Off or the Foreign Separation Transactions (as defined in the Private Letter Ruling). We render no opinion concerning the federal income tax consequences of non-arm’s length payments (if any) made in connection with the transactions or of any internal restructuring that occurred or will occur in connection with the First Contribution, Internal Spin-Off, Second Contribution or External Spin-Off. We render no opinion as to the tax consequences of the transactions under state, local, or foreign tax laws.

Our opinion is based on current provisions of the Code, Treasury Regulations promulgated thereunder, published pronouncements of the Internal Revenue Service and case law, any of which may be changed at any time with retroactive effect. Any change in applicable laws or the facts and circumstances surrounding the transactions, or any inaccuracy in the

statements, facts, assumptions or representations upon which we have relied, may affect the continuing validity of our opinion as set forth herein. We assume no responsibility to inform NCR of any such change or inaccuracy that may occur or come to our attention.

This opinion may not be applicable to holders of shares of NCR common stock who received their NCR common stock pursuant to the exercise of employee stock options or otherwise as compensation or who are not citizens or residents of the United States, or the distribution of shares to such holders. As well, this opinion may not be applicable to holders of shares of NCR common stock who are subject to special treatment under the Code (such as insurance companies, financial institutions, dealers in securities, or tax-exempt organizations).

We are furnishing this opinion solely in connection with the transactions contemplated by the Agreement, and it is not to be relied upon, used, quoted, or otherwise referred to for any other purpose or by any other party without our consent. We hereby consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to Form 8-K of NCR or Teradata. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended

Very truly yours,

WACHTELL, LIPTON, ROSEN & KATZ

dlp/vs

Unaudited Pro Forma Financial Information

BASIS OF PRESENTATION

The following Unaudited Pro Forma Condensed Consolidated Statements of Operations for the six months ended June 30, 2007 and 2006, and the years ended December 31, 2006, 2005 and 2004 have been derived from NCR's historical financial statements as if the disposal of the Teradata business via the spin-off occurred as of the beginning of the earliest period presented. The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of June 30, 2007 is prepared as if the spin-off occurred as of June 30, 2007. Due to the spin-off of Teradata, when NCR issues financial statements for the period ending September 30, 2007, the historical results of Teradata will be reflected as a discontinued operation in accordance with the Statement of Financial Accounting Standards No. 144 (SFAS No. 144), *Accounting for the Impairment or Disposal of Long-Lived Assets*. In order to derive pro forma financial information, the historical results of NCR are adjusted to eliminate the assets, liabilities and results of operations of the Teradata business. Pro forma adjustments are described in the Notes To Unaudited Pro Forma Condensed Consolidated Financial Statements.

NCR's unaudited pro forma financial statements are presented for illustrative and informational purposes only and are not intended to represent or be indicative of the financial condition or results of operations which would actually have been recorded if the Teradata spin-off had occurred during the periods presented. In addition, these unaudited pro forma financial statements are not intended to represent the Company's financial position or results of operations for any future date or period. These historical unaudited pro forma financial statements should be read in conjunction with NCR's Form 10-K for the year ended December 31, 2006 and Form 10-Q for the period ended June 30, 2007.

NCR Corporation
Unaudited Pro Forma Condensed Consolidated Statements of Operations
Six Months Ended June 30, 2007

In millions, except per share amounts	<u>NCR Historical</u>	<u>Spin-off of Teradata (a)</u>	<u>NCR Pro Forma</u>
Revenue			
Product revenue	\$ 1,515	\$ (399)	\$ 1,116
Service revenue	1,440	(385)	1,055
Total revenue	<u>2,955</u>	<u>(784)</u>	<u>2,171</u>
Operating expenses			
Cost of products	1,007	(142)	865
Cost of services	1,106	(226)	880
Selling, general and administrative expenses	528	(223)(b,c)	305
Research and development expenses	116	(57)	59
Total operating expenses	<u>2,757</u>	<u>(648)</u>	<u>2,109</u>
Income from operations	198	(136)	62
Interest expense	12	—	12
Other income, net	(16)	—	(16)
Income from continuing operations before income taxes	202	(136)	66
Income tax expense	70	(46)(d)	24
Net income from continuing operations	<u>\$ 132</u>	<u>\$ (90)</u>	<u>\$ 42</u>
Earnings per share from continuing operations			
Basic	\$ 0.73		\$ 0.23
Diluted	\$ 0.72		\$ 0.23
Weighted average common shares outstanding			
Basic	179.7		179.7
Diluted	182.4		182.4

See accompanying Notes To Unaudited Pro Forma Condensed Consolidated Financial Statements.

NCR Corporation
Unaudited Pro Forma Condensed Consolidated Statements of Operations
Six Months Ended June 30, 2006

In millions, except per share amounts	NCR Historical	Spin-off of Teradata (a)	NCR Pro Forma
Revenue			
Product revenue	\$ 1,442	\$ (373)	\$ 1,069
Service revenue	1,372	(346)	1,026
Total revenue	<u>2,814</u>	<u>(719)</u>	<u>2,095</u>
Operating expenses			
Cost of products	936	(129)	807
Cost of services	1,101	(201)	900
Selling, general and administrative expenses	509	(188)(c)	321
Research and development expenses	118	(60)	58
Total operating expenses	<u>2,664</u>	<u>(578)</u>	<u>2,086</u>
Income from operations	150	(141)	9
Interest expense	12	—	12
Other income, net	(14)	—	(14)
Income before income taxes from continuing operations	152	(141)	11
Income tax expense (benefit)	33	(39)(d)	(6)
Net income from continuing operations	<u>\$ 119</u>	<u>\$ (102)</u>	<u>\$ 17</u>
Earnings per share from continuing operations			
Basic	\$ 0.66		\$ 0.09
Diluted	\$ 0.64		\$ 0.09
Weighted average common shares outstanding			
Basic	181.4		181.4
Diluted	184.6		184.6

See accompanying Notes To Unaudited Pro Forma Condensed Consolidated Financial Statements.

NCR Corporation
Unaudited Pro Forma Condensed Consolidated Statements of Operations
Year Ended December 31, 2006

In millions, except per share amounts	<u>NCR Historical</u>	<u>Spin-off of Teradata (a)</u>	<u>NCR Pro Forma</u>
Revenue			
Product revenue	\$ 3,248	\$ (820)	\$ 2,428
Service revenue	2,894	(740)	2,154
Total revenue	<u>6,142</u>	<u>(1,560)</u>	<u>4,582</u>
Operating expenses			
Cost of products	2,095	(292)	1,803
Cost of services	2,281	(429)	1,852
Selling, general and administrative expenses	1,057	(403)(c)	654
Research and development expenses	236	(117)	119
Total operating expenses	<u>5,669</u>	<u>(1,241)</u>	<u>4,428</u>
Income from operations	473	(319)	154
Interest expense	24	—	24
Other income, net	(29)	—	(29)
Income before income taxes from continuing operations	478	(319)	159
Income tax expense	96	(88)(d)	8
Net income from continuing operations	<u>\$ 382</u>	<u>\$ (231)</u>	<u>\$ 151</u>
Earnings per share from continuing operations			
Basic	\$ 2.12		\$ 0.84
Diluted	\$ 2.09		\$ 0.83
Weighted average common shares outstanding			
Basic	180.0		180.0
Diluted	182.9		182.9

See accompanying Notes To Unaudited Pro Forma Condensed Consolidated Financial Statements.

NCR Corporation
Unaudited Pro Forma Condensed Consolidated Statements of Operations
Year Ended December 31, 2005

In millions, except per share amounts	NCR Historical	Spin-off of Teradata (a)	NCR Pro Forma
Revenue			
Product revenue	\$ 3,208	\$ (786)	\$ 2,422
Service revenue	2,820	(681)	2,139
Total revenue	<u>6,028</u>	<u>(1,467)</u>	<u>4,561</u>
Operating expenses			
Cost of products	2,057	(286)	1,771
Cost of services	2,240	(386)	1,854
Selling, general and administrative expenses	1,076	(385)(c)	691
Research and development expenses	245	(120)	125
Total operating expenses	<u>5,618</u>	<u>(1,177)</u>	<u>4,441</u>
Income from operations	410	(290)	120
Interest expense	23	—	23
Other income, net	(9)	—	(9)
Income before income taxes from continuing operations	396	(290)	106
Income tax benefit	(133)	(77)(d)	(210)
Net income from continuing operations	<u>\$ 529</u>	<u>\$ (213)</u>	<u>\$ 316</u>
Earnings per share from continuing operations			
Basic	\$ 2.86		\$ 1.71
Diluted	\$ 2.80		\$ 1.67
Weighted average common shares outstanding			
Basic	185.0		185.0
Diluted	189.1		189.1

See accompanying Notes To Unaudited Pro Forma Condensed Consolidated Financial Statements.

NCR Corporation
Unaudited Pro Forma Condensed Consolidated Statements of Operations
Year Ended December 31, 2004

In millions, except per share amounts	<u>NCR Historical</u>	<u>Spin-off of Teradata (a)</u>	<u>NCR Pro Forma</u>
Revenue			
Product revenue	\$ 3,164	\$ (728)	\$ 2,436
Service revenue	2,820	(621)	2,199
Total revenue	<u>5,984</u>	<u>(1,349)</u>	<u>4,635</u>
Operating expenses			
Cost of products	2,037	(287)	1,750
Cost of services	2,331	(354)	1,977
Selling, general and administrative expenses	1,141	(385)(c)	756
Research and development expenses	242	(118)	124
Total operating expenses	<u>5,751</u>	<u>(1,144)</u>	<u>4,607</u>
Income from operations	233	(205)	28
Interest expense	23	—	23
Other income, net	(41)	—	(41)
Income before income taxes from continuing operations	251	(205)	46
Income tax benefit	(39)	(50)(d)	(89)
Net income from continuing operations	<u>\$ 290</u>	<u>\$ (155)</u>	<u>\$ 135</u>
Earnings per share from continuing operations			
Basic	\$ 1.55		\$ 0.72
Diluted	\$ 1.51		\$ 0.70
Weighted average common shares outstanding			
Basic	187.6		187.6
Diluted	191.5		191.5

See accompanying Notes To Unaudited Pro Forma Condensed Consolidated Financial Statements.

NCR Corporation
Unaudited Pro Forma Condensed Consolidated Balance Sheet
As of June 30, 2007

In millions, except per share amounts	NCR Historical	Spin-off of Teradata (a)	Pro Forma Adjustments	NCR Pro Forma
Assets				
Current assets				
Cash and cash equivalents	\$ 1,139	\$ —	\$ (258)(b,e)	\$ 881
Accounts receivable, net	1,385	(378)	—	1,007
Inventories, net	739	(35)	—	704
Other current assets	343	(72)	—	271
Total current assets	3,606	(485)	(258)	2,863
Property, plant and equipment, net	370	(69)	—	301
Goodwill	148	(89)	—	59
Prepaid pension cost	727	(4)	—	723
Deferred income taxes	336	(167)	—	169
Other assets	428	(96)	—	332
Total assets	\$ 5,615	\$ (910)	\$ (258)	\$ 4,447
Liabilities and stockholders' equity				
Current liabilities				
Short-term borrowings	\$ 1	\$ —	\$ —	\$ 1
Accounts payable	516	(62)	(11)(b)	443
Payroll and benefits liabilities	248	(66)	—	182
Deferred service revenue and customer deposits	556	(244)	—	312
Other current liabilities	515	(62)	—	453
Total current liabilities	1,836	(434)	(11)	1,391
Long-term debt	306	—	—	306
Pension and indemnity plan liabilities	477	(35)	—	442
Postretirement and postemployment benefits liabilities	448	(72)	—	376
Deferred income taxes	42	—	—	42
Income tax accruals	168	—	—	168
Other liabilities	174	—	—	174
Minority interests	17	—	—	17
Total liabilities	3,468	(541)	(11)	2,916
Stockholders' equity				
Preferred stock: par value \$0.01 per share, 100.0 shares authorized, no shares issued and outstanding at June 30, 2007	—	—	—	—
Common stock: par value \$0.01 per share, 500.0 shares authorized, 180.5 shares issued and outstanding at June 30, 2007	2	—	—	2
Paid-in capital	720	—	—	720
Retained earnings	2,032	(392)	(247)(b,e)	1,393
Accumulated other comprehensive loss	(607)	23	—	(584)
Total stockholders' equity	2,147	(369)	(247)	1,531
Total liabilities and stockholders' equity	\$ 5,615	\$ (910)	\$ (258)	\$ 4,447

See accompanying Notes To Unaudited Pro Forma Condensed Consolidated Financial Statements.

NCR Corporation
Notes To Unaudited Pro Forma Condensed Consolidated Financial Statements (Unaudited)

- (a) Reflects the elimination of the financial results of operations, assets, liabilities and accumulated other comprehensive income amounts associated with Teradata due to the spin-off of Teradata to NCR shareholders.
- (b) The Company recognized \$14 million in non-recurring costs related to Teradata spin-off for the six months ended June 30, 2007. Of these costs, \$3 million was paid during the period and the balance was recorded as accounts payable. These non-recurring costs were primarily for legal, tax, accounting, other professional and consulting fees. The Company estimates it will incur an additional cost of approximately \$ 47 million related to the spin-off in 2007. These costs are estimated to be paid during the second half of fiscal 2007 and have been shown as a reduction to pro forma retained earnings.
- (c) In accordance with Emerging Issues Task Force Issue No. 87-24 (EITF No. 87-24), *Allocation of Interest to Discontinued Operations*, certain corporate overhead expenses that are part of the Teradata carve out financial statements are not eliminated in arriving at the pro forma amounts as they will be ongoing expenses of NCR. These corporate overhead expenses are related primarily to general management, tax, investor relations, and public relations. These corporate overhead expenses are \$2 million for the six months ended June 30, 2007; \$3 million for the six months ended June 30, 2006; \$7 million for the year ended December 31, 2006; \$6 million for the year ended December 31, 2005; and \$6 million for the year ended December 31, 2004.
- (d) This adjustment is to reflect the estimated income tax effects of the elimination of Teradata business as described in Note (a) and the pro forma adjustments in Notes (b) and (c) above.
- (e) Represents a capital contribution to Teradata by NCR of \$200 million that occurred as a part of the Separation and Distribution Agreement between NCR and Teradata, shortly before the spin-off.

Note: On August 9, 2007, NCR was notified that the Internal Revenue Service (IRS) would likely issue an adverse ruling on the request concerning Teradata's ability to continue to amortize (and deduct) certain research and development costs that had been capitalized by NCR for tax purposes under Section 59(e) of the Internal Revenue Code, subsequent to the transfer of the related intellectual property to Teradata. The potential adverse ruling only concerns the amortization of capitalized research and development after the intellectual property is transferred to Teradata and therefore, has no impact on the historic accounting for deferred income taxes by NCR as reflected in the accompanying pro forma financial statements. The Company is currently evaluating the impact of this ruling on continuing and discontinued operations for future periods.