SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTER ENDED JUNE 30, 1997

Commission File Number 001-00395

NCR CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MARYLAND	31-0387920
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1700 SOUTH PATTERSON BLVD. DAYTON, OHIO	45479
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X]

Number of shares of common stock, $.01 par value, outstanding as of July 31, 1997 was 102,363,901.

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PART I. FINANCIAL INFORMATION

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NCR CORPORATION

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

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	1997	1996	1997	1996
REVENUES				
Sales	$ 919	$ 937	$ 1,633	$ 1,812
Services	726	742	1,401	1,453
TOTAL REVENUES	1,645	1,679	3,034	3,265
OPERATING EXPENSES				
Cost of sales	647	663	1,136	1,300
Cost of services	559	552	1,076	1,096
Selling, general, and administrative expenses	362	356	676	711
Research and development expenses	96	97	183	184
TOTAL OPERATING EXPENSES	1,664	1,668	3,071	3,291
INCOME (LOSS) FROM OPERATIONS	(19)	11	(37)	(26)
Interest expense	4	13	6	26
Other (income), net	(25)	(6)	(30)	(3)
INCOME (LOSS) BEFORE INCOME TAXES	2	4	(13)	(49)
Income tax expense	6	22	7	34
NET LOSS	$ (4)	$ (18)	$ (20)	$ (83)
NET LOSS PER COMMON SHARE	$ (.04)	$ (.18)	$ (.20)	$ (.82)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (IN MILLIONS)	102.1	101.4	101.8	101.4

See accompanying notes.

NCR CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS

	JUNE 30 1997	DECEMBER 31 1996
ASSETS		
Current assets		
Cash and short-term investments	$ 1,156	$1,203
Accounts receivable, net	1,446	1,457
Inventories	517	439
Other current assets	244	219
TOTAL CURRENT ASSETS	3,363	3,318
Rental equipment and service parts, net	261	277
Property, plant, and equipment, net	885	930
Other assets	776	755
TOTAL ASSETS	$ 5,285	$5,280
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	$ 56	$ 28
Accounts payable	303	352
Payroll and benefits liabilities	330	383
Customer deposits and deferred service revenue	417	348
Other current liabilities	834	856
TOTAL CURRENT LIABILITIES	1,940	1,967
Long-term debt	36	48
Pension and indemnity liabilities	310	300
Postretirement and postemployment benefits liabilities	802	777
Other liabilities	469	503
Minority interests	298	289
TOTAL LIABILITIES	3,855	3,884
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Common stock, par value $.01 per share (authorized: 500 million shares; issued and outstanding: 102.3 million shares at June 30, 1997 and 101.4 million shares at December 31, 1996)	1	1
Paid-in capital	1,412	1,394
Retained earnings (deficit)	(20)	--
Other	37	1
TOTAL SHAREHOLDERS' EQUITY	1,430	1,396
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 5,285	$5,280

See accompanying notes.

NCR CORPORATION

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

	SIX MONTHS ENDED JUNE 30	
	1997	1996
OPERATING ACTIVITIES		
Net loss	$ (20)	$ (83)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	186	175
Changes in operating assets and liabilities:		
Receivables	11	733
Inventories	(78)	61
Other operating assets and liabilities	(25)	(537)
NET CASH PROVIDED BY OPERATING ACTIVITIES	74	349
INVESTING ACTIVITIES		
Purchases of short-term investments, net	(277)	(17)
Expenditures for service parts	(66)	(58)
Expenditures for property, plant, and equipment	(83)	(173)
Other investing activities	15	18
NET CASH USED IN INVESTING ACTIVITIES	(411)	(230)
FINANCING ACTIVITIES		
Short-term borrowings, net	28	(6)
Repayments of long-term debt, net	(12)	(231)
Transfers from AT&T, net	--	595
Other financing activities	18	--
NET CASH PROVIDED BY FINANCING ACTIVITIES	34	358
Effect of exchange rate changes on cash and cash equivalents	(21)	(7)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(324)	470
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,163	314
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 839	$ 784

See accompanying notes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared by NCR Corporation ("NCR") without audit pursuant to the rules and regulations of the Securities and Exchange Commission and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the consolidated results of operations, financial position, and cash flows for each period presented. The consolidated results for interim periods are not necessarily indicative of results to be expected for the full year. These financial statements should be read in conjunction with NCR's 1996 Annual Report to Shareholders and Form 10-K for the year ended December 31, 1996.

2. SUPPLEMENTAL BALANCE SHEET INFORMATION

(In millions)	June 30 1997	December 31 1996
CASH AND SHORT-TERM INVESTMENTS		
Cash and cash equivalents	$ 839	$1,163
Short-term investments	317	40
Total cash and short-term investments	$1,156	$1,203
INVENTORIES		
Finished goods	$ 342	$ 297
Work in process and raw materials	175	142
Total inventories	$ 517	$ 439

3. CONTINGENCIES

In the normal course of business, NCR is subject to various regulations, proceedings, lawsuits, claims, and other matters, including actions under laws and regulations related to the environment and health and safety, among others. Such matters are subject to the resolution of many uncertainties, and accordingly, outcomes are not predictable with assurance. Although NCR believes that amounts provided in its financial statements are adequate in light of the probable and estimable liabilities, there can be no assurances that the amounts required to discharge alleged liabilities from various lawsuits, claims, legal proceedings, and other matters, and to comply with applicable laws and regulations, will not exceed the amounts reflected in NCR's consolidated financial statements or will not have a material adverse effect on its consolidated financial condition, results of operations, or cash flows. Any amounts of costs that may be incurred in excess of those amounts provided as of June 30, 1997 cannot presently be determined.

LEGAL PROCEEDINGS

As of June 30, 1997, there were a number of individual product liability claims pending against NCR alleging that its products, including personal computers, supermarket bar code scanners, cash registers, and check encoders, caused so-called "repetitive strain injuries" or "cumulative trauma disorders," such as carpal tunnel syndrome. As of June 30, 1997, approximately 80 such claims were pending against NCR. In such lawsuits, the plaintiff typically alleges that the injury was caused by the design of the product at issue or a failure to warn of alleged hazards. These plaintiffs generally seek compensatory damages and, in many cases, punitive damages. Most other manufacturers of these products have also been sued by plaintiffs on similar theories. Ultimate resolution of the litigation against NCR may substantially depend on the outcome of similar matters of this type pending in various courts. NCR has denied the merits and basis for the pending claims against it and intends to continue to contest these cases vigorously.

NCR was named as one of the defendants in a purported class-action suit filed in November 1996 in Florida. The complaint seeks, among other things, damages from the defendants in the aggregate amount of $200 million, trebled, plus attorneys' fees, based on state antitrust and common-law claims of unlawful restraints of trade, monopolization, and unfair business practices. The portions of the complaint pertinent to NCR, among other things, assert a purported agreement between Siemens-Nixdorf entities (Siemens) and NCR regarding the servicing of certain "ultra-high speed printers" manufactured by Siemens and the agreement's impact upon independent service organizations, brokers, and end-users of such printers. The amount of any liabilities or other costs, if any, that may be incurred in connection with this matter cannot currently be determined.

ENVIRONMENTAL MATTERS

NCR's facilities and operations are subject to a wide range of environmental protection laws in the U.S. and other countries related to solid and hazardous waste disposal, the control of air emissions and water discharges, and the mitigation of impacts to the environment from past operations and practices. NCR has investigatory and remedial activities underway at a number of currently and formerly owned or operated facilities to comply, or to determine compliance, with applicable environmental protection laws. NCR has been identified, either by a government agency or by a private party seeking contribution to site cleanup costs, as a potentially responsible party (PRP) at a number of sites pursuant to a variety of statutory schemes, both State and Federal, including the Federal Water Pollution Control Act (FWPCA) and comparable State statutes, and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA), and comparable State statutes.

In February 1996, NCR received notice from the U.S. Department of the Interior, Fish & Wildlife Service (USF&WS) that USF&WS considers NCR a PRP under the FWPCA and CERCLA with respect to alleged natural resource restoration and damages to the Fox River and related Green Bay environment (Fox River System) due to, among other things, sediment contamination in the Fox River System allegedly resulting from liability arising out of NCR's former carbonless paper manufacturing operations at Appleton and Combined Locks, Wisconsin. USF&WS has also notified a number of other manufacturing companies of their status as PRPs under the FWPCA and CERCLA for natural resource restoration and damages in the Fox River System resulting from their ongoing or former paper manufacturing operations in the Fox River Valley. In addition, NCR has been identified, along with a number of other companies, by the Wisconsin Department of Natural Resources (State Trustee) with respect to alleged liability arising out of alleged past discharges that have contaminated sediments in the Fox River System. In December 1996, USF&WS, two Native American tribes, and other federal agencies (Federal Trustees) invited NCR, the other PRP companies, and the State Trustee to enter into settlement negotiations over these environmental claims. In January 1997, NCR and the other PRP companies reached agreement on an interim settlement with the State Trustee. The Federal Trustees are not party to that agreement. In January 1997, the Federal Trustees notified NCR and the other PRPs of the Federal Trustees' intent to commence a natural resource damages lawsuit under CERCLA and the FWCPA within 60 days of the notice, unless a negotiated resolution of their claims was reached. In March 1997, NCR and the other identified PRPs entered into a tolling agreement with the Federal Trustees, effectively staying the 60-day notice for an additional 60 days. In July 1997, the State Trustee, the United States Environmental Protection Agency (USEPA), and the Federal Trustees entered into a Memorandum of Agreement (MOA). The MOA states that it provides a framework under which the parties to that agreement can coordinate remedial and restoration studies and actions regarding the Fox River, including the assertion of claims against the PRPs. In June 1997, USEPA announced its intention to propose the Fox River for inclusion on the National Priorities List; shortly thereafter, the State of Wisconsin announced its opposition to such listing. In July 1997, the USEPA sent the PRPs a Special Notice Letter calling for formal negotiations on the preparation of a remedial investigation and feasibility study (RI/FS) on the Fox River; on July 15, 1997, the PRPs agreed to enter into such negotiations. The Special Notice Letter also requested an extension of the tolling agreement for an additional period. The State Trustee has recently proposed that it, the PRPs, USEPA, and the Federal Trustees enter into a more comprehensive agreement by early 1998. NCR expects there will be further discussions over the next few months about the preparation of an RI/FS and the State Trustee's proposal for a more comprehensive agreement. An estimate of NCR's ultimate share, if any, of such cleanup costs or natural resource restoration and damages liability cannot be made with certainty at this time due to (i) the unknown magnitude, scope, and source of any alleged contamination, (ii) the absence of selected remedial objectives and methods, and (iii) the uncertainty of the amount and scope of any alleged natural resource restoration and damages. NCR believes that there are additional PRPs who may be liable for such natural resource damages and remediation costs. Further, in 1978, NCR sold the business to which the claims apply and believes the claims described above are the responsibility of the buyer and its former parent company pursuant to the terms of the sale agreement. In this connection, NCR has commenced litigation against the buyer to enforce its position.

It is difficult to estimate the future financial impact of environmental laws, including potential liabilities. NCR accrues environmental provisions when it is probable that a liability has been incurred and the amount of the liability is reasonably estimable. Management expects that the amounts provided as of June 30, 1997 will be paid out over the period of investigation, negotiation, remediation, and restoration for the applicable sites, which may be 30 years or more. Provisions for estimated losses from environmental remediation are, depending on the site, based primarily on internal and third-party environmental studies, estimates as to the number and participation level of any other PRPs, the extent of the contamination, and the nature of required remedial and restoration actions. Accruals are adjusted as further information develops or circumstances change. The amounts provided for environmental matters in NCR's consolidated financial statements are the estimated gross undiscounted amount of such liabilities, without deductions for insurance or third-party indemnity claims. In those cases where insurance carriers or third-party indemnitors have agreed to pay any amounts and management believes that collectibility of such amounts is probable, the amounts are reflected as receivables in the consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

The following table displays selected components of NCR's consolidated statements of operations, expressed as a percentage of revenue.

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	1997	1996	1997	1996
Sales revenue	55.9%	55.8%	53.8%	55.5%
Services revenue	44.1%	44.2%	46.2%	44.5%
Total revenue	100.0%	100.0%	100.0%	100.0%
Sales gross margin	29.6%	29.2%	30.4%	28.3%
Services gross margin	23.0%	25.6%	23.2%	24.6%
Total gross margin	26.7%	27.6%	27.1%	26.6%
Selling, general, and administrative expenses	22.0%	21.2%	22.3%	21.8%
Research and development expenses	5.8%	5.8%	6.0%	5.6%
Operating income (loss)	(1.1)%	0.6%	(1.2)%	(0.8)%

THREE MONTHS ENDED JUNE 30, 1997 COMPARED TO THREE MONTHS ENDED JUNE 30, 1996

REVENUE

Revenue for the three months ended June 30, 1997 was $1,645 million, a decrease of 2% from the second quarter of 1996. When adjusted for the unfavorable impact of quarter-to-quarter changes in foreign currency exchange rates, revenue increased by 1% compared to the second quarter of 1996.

Sales revenue decreased 2% to $919 million in the second quarter of 1997 compared to the second quarter of 1996. Revenue gains from the year ago quarter in retail products of 25% and financial products of 13% were more than offset by revenue declines in computer products of 19% and systemedia products of 9%. Revenue increased for NCR's enterprise servers used in scalable data warehousing applications but was not sufficient to offset declines in other parts of the computer business. Services revenue decreased 2% to $726 million in the second quarter of 1997 compared to the second quarter of 1996. Revenue from professional services increased by 9% in the second quarter of 1997 from the year ago quarter despite the adverse currency rate impacts. The increase in professional services revenue was not sufficient to offset a decline of 3% in customer services revenue. Customer services revenue was impacted by the decrease in sales revenue and unfavorably influenced by foreign currency rate impacts.

Revenue in the second quarter of 1997 compared with the second quarter of 1996 increased by 1% in the Asia Pacific region, decreased by 2% in the Americas, and decreased by 6% in Europe/Middle East/Africa (EMEA). When adjusted for the unfavorable impact of quarter-to-quarter changes in foreign currency exchange rates, revenue on a local currency basis increased 8% in Asia Pacific and increased 1% in EMEA. The Americas region made up 48% of NCR's total second quarter 1997 customer revenue, EMEA region comprised 29%, and Asia Pacific region 23%.

OPERATING EXPENSES

Gross margin as a percentage of revenue decreased 0.9 percentage points from 27.6% in the second quarter of 1996 to 26.7% in the second quarter of 1997. Sales gross margins increased 0.4 percentage points to 29.6% for the second quarter of 1997. Services gross margins were down 2.6 percentage points to 23.0% for the second quarter of 1997. Services gross margins declined primarily due to lower reported revenue against a cost structure developed to support higher revenue levels.

Selling, general, and administrative expenses increased $6 million or 2% in the second quarter of 1997 from the year ago quarter. As a percentage of revenue, selling, general, and administrative expenses were 22.0% in the second quarter of 1997 and 21.2% in the same period of 1996. The increase was entirely driven by additional investments in selling expense; general and administrative expense declined from the year ago quarter. Research and development expenses decreased $1 million to $96 million in the second quarter of 1997. As a percentage of revenue, research and development expenses were 5.8% in both the second quarter of 1997 and 1996.

INCOME (LOSS) BEFORE INCOME TAXES

NCR reported an operating loss of $19 million in the second quarter of 1997 compared to an operating profit of $11 million in the second quarter of 1996. Interest expense was $4 million in the second quarter of 1997 compared to $13 million in the second quarter of 1996. The decrease in interest expense was the result of reduced debt levels in 1997 compared to 1996. Other income, net of expenses, was $25 million in the second quarter of 1997 compared to $6 million in the second quarter of 1996. The increase in other income results from higher interest income on increased levels of cash and short-term investments and positive impacts in 1997 of certain foreign exchange contracts and insurance proceeds related to a prior year loss.

NCR reported income before taxes of $2 million in the second quarter of 1997 compared to a income before taxes of $4 million in the second quarter of 1996.

NET LOSS

The provision for income taxes was $6 million in the second quarter of 1997 compared to $22 million in the second quarter of 1996. NCR's tax provision results from a normal provision for income taxes in those foreign tax jurisdictions where its subsidiaries are profitable, and an inability to reflect tax benefits from net operating losses and tax credits, primarily in the United States.

Net loss was $4 million in the second quarter of 1997 and $18 million in the same period in 1996.

SIX MONTHS 1997 COMPARED TO SIX MONTHS 1996

REVENUE

Revenue for the first six months of 1997 was $3,034 million, a decrease of 7% from the comparable period last year. When adjusted for the unfavorable impact in foreign currency exchange rates, revenue decreased by 4% compared to the year-to-date period in 1996.

Sales revenue decreased 10% to $1,633 million in the first six months of 1997 compared to the same period of 1996. Revenue gains in retail products of 10% and financial products of 2% were more than offset by revenue declines in computer products of 16%, PCs/entry level server products of 27% and systemedia products of 9%. The decrease in PCs\entry level server products revenue was due to NCR's decision to longer sell these products through high-volume indirect channels. Services revenue decreased 4% to $1,401 million in the first six months of 1997 compared to the same period of 1996. Revenue for professional services increased by 7% in the first six months of 1997 despite the adverse currency rate impacts. The increase in professional services revenue was not sufficient to offset a decline of 5% in customer services revenue.

Revenue in the first six months of 1997 compared with the first six months of 1996 increased by 1% in the Asia Pacific region, decreased by 7% in the Americas, and decreased by 12% in EMEA. When adjusted for the unfavorable impact in foreign currency exchange rates, revenue on a local currency basis increased 8% in Asia Pacific and decreased 5% in EMEA. The Americas region made up 49% of NCR's total first six months 1997 revenues, EMEA region comprised 29%, and Asia Pacific region comprised 22%.

OPERATING EXPENSES

Gross margin as a percentage of revenue increased 0.5 percentage points from 26.6% in the first six months of 1996 to 27.1% in the first six months of 1997. Sales gross margins increased 2.1 percentage points to 30.4% for the first six months of 1997. Services gross margins were down 1.4 percentage points to 23.2% for the first six months of 1997.

Selling, general, and administrative expenses decreased $35 million or 5% in the first six months of 1997. As a percentage of revenue, selling, general, and administrative expenses were 22.3% in the first six months of 1997 and 21.8% in the same period of 1996. The decrease in 1997 was primarily the result of NCR's continued focus on expense discipline and the favorable impact on expenses of foreign currency exchange rates. Research and development expenses decreased $1 million to $183 million in the first six months of 1997. As a percentage of revenue, research and development expenses were 6.0% in the first six months of 1997 and 5.6% in the first six months of 1996.

INCOME (LOSS) BEFORE INCOME TAXES

NCR reported an operating loss of $37 million in the first six months of 1997 compared to an operating loss of $26 million in the first six months of 1996. Interest expense was $6 million in the first six months of 1997 compared to $26 million in the second quarter of 1996. Other income, net of expenses, was $30 million in the first six months of 1997 compared to $3 million in the first six months of 1996.

NCR reported a loss before taxes of $13 million in the first six months of 1997 compared to a loss before taxes of $49 million in the first six months of 1996.

NET LOSS

The provision for income taxes was $7 million in the first six months of 1997 compared to $34 million in the first six months of 1996. NCR's tax provision results from a normal provision for income taxes in those foreign tax jurisdictions where its subsidiaries are profitable, and an inability to reflect tax benefits from net operating losses and tax credits, primarily in the United States.

Net loss was $20 million in the first six months of 1997 and $83 million in the same period in 1996.

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

NCR's cash and short-term investments totaled $1,156 million at June 30, 1997 compared to $1,203 million at December 31, 1996.

Net cash provided by operating activities was $74 million in the first six months of 1997 and $349 million in the first six months of 1996. Receivable balances were essentially flat at June 30, 1997 compared to December 31, 1996, but decreased $733 million in the first six months of 1996 due largely to NCR's decision to no longer sell PC/entry level servers through high-volume indirect channels and a reduction in receivable balances due to the sale of NCR's Switzerland data services business. Inventory balances increased $78 million in the first six months of 1997 compared to a decrease of $61 million in the comparable period of 1996. The decrease in 1996 resulted from overall improved supply line management and an increased focus on inventory management practices. The increase in inventory in the first six months of 1997 is consistent with historical inventory increases generally experienced during the first three quarters of the year. Cash required for other operating assets and liabilities decreased from $537 million in the first six months of 1996 to $25 million in the same period of 1997 primarily due to payments made in the first half of 1996 relating to NCR's 1995 restructuring.

Net cash used in investing activities was $411 million in the first six months of 1997 and $230 million in the same period of 1996. In 1997, NCR purchased $277 million of short-term investments as a part of its overall cash management strategy. Capital expenditures were $149 million for the first half of 1997 and $231 million for the comparable period in 1996. Capital expenditures generally relate to expenditures for reworkable parts used to service customer equipment, expenditures for equipment and facilities used in manufacturing and research and development, and expenditures for facilities to support sales and marketing activities.

Net cash provided by financing activities was $34 million in the first six months of 1997 and $358 million in the same period of 1996. In 1996, NCR relied on AT&T to provide financing for its operations. The cash flows reflected as transfers from AT&T in the consolidated statements of cash flows for 1996 represent capital infusions that were used to fund NCR's ongoing operations. In addition, $231 million of debt was repaid in the first six months of 1996.

NCR believes that cash flows from operations, its credit facility, and other short- and long-term financings, if any, will be sufficient to satisfy its future working capital, research and development, capital expenditure, and other financing requirements for the foreseeable future.

FACTORS THAT MAY AFFECT FUTURE RESULTS

Management's Discussion and Analysis contains information based on management's beliefs and forward-looking statements that involve a number of risks, uncertainties, and assumptions. There can be no assurances that actual results will not differ materially from the forward-looking statements as a result of various factors, including, but not limited to, the following:

NCR's ability to improve its operating results depends significantly upon its ability to profitably grow revenue, improve gross margins, maintain expense discipline, and improve its effective tax rate. There can be no assurances that NCR will not face unforeseen costs, delays or other impediments in the implementation of its strategy and business plan, that its strategy and business plan will generate the expected benefits, or that NCR's strategy will be successful. The success of NCR's strategy will also depend, among other things, upon the technologies, actions, products, and strategies of NCR's current and future competitors, general domestic and foreign economic and business conditions, the condition of the information technology industry and the industries in which NCR's customers operate, and other factors, including those described below.

The markets for many of NCR's offerings are characterized by rapidly changing technology, evolving industry standards and a movement toward common industry standards making differentiation more difficult, frequent new product introductions, and the increasing commoditization of products, including servers and other computer products. NCR's operating results depend to a significant extent on its ability to design, develop, or otherwise obtain and introduce new products, services, systems, and solutions that are competitive in the marketplace. The success of these and other new offerings is dependent on many factors, including proper identification of customer needs, cost, timely completion and introduction, differentiation from offerings of NCR's competitors, and market acceptance. The ability to successfully introduce new competitive products, services offerings, and solutions could have a significant impact on NCR's results of operations.

Due to NCR's focus on providing complex integrated solutions to customers, NCR frequently relies on third parties to provide significant elements of NCR's offerings, which must be integrated with the elements provided by NCR. NCR has from time to time formed alliances with third parties that have complementary products, services, and skills. These business practices often require NCR to rely on the performance and capabilities of third parties which are beyond NCR's control. NCR's reliance on third parties introduces a number of risks to NCR's business. In addition to the risk of non-performance by alliance partners or other third parties, the need to integrate elements provided by NCR with those of third parties could result in delays in the introduction of new products, services, systems, or solutions. Further, the failure of any of these third parties to provide products or services that conform to NCR's specifications or quality standards could impair the ability of NCR to offer solutions that include such third party elements or may impair the quality of such solutions. Any of these factors could have an adverse impact on NCR's financial condition or results of operations.

A number of NCR's products and systems rely on specific suppliers for microprocessors, operating systems, and other central components. For example, NCR's computer systems are based on microprocessors and related peripheral chip technology designed by Intel Corporation. NCR incorporates UNIX(1) and Microsoft Windows NT(2) operating systems into its products and utilizes Oracle Corporation and Informix Corporation's commercial databases for NCR's Scalable Data Warehousing and High Availability Transaction Processing solutions. The failure of any of these technologies to remain competitive, either individually or as part of a system or solution, or the failure of these providers to continue such technologies, could adversely impact NCR's financial condition or results of operations.

NCR also uses many standard parts and components in its products and systems, and believes there are a number of competent vendors for most parts and components. However, a number of important components are developed by and purchased from single sources due to price, quality, technology, or other considerations. In some cases, those components are available only from single sources. The process of substituting new producers of such parts could adversely impact NCR's results of operations.

NCR faces significant competition in the geographic areas where it operates. Its markets are characterized by continuous, rapid technological change, short product life cycles, frequent product performance improvements, price reductions, and the need to introduce products in a timely manner in order to take advantage of market opportunities. Product development or manufacturing delays, changes in product costs, and delays in customer purchases of existing products in anticipation of new product introductions are among the factors that may adversely impact the transition from current products to new products. In addition, the timing of introductions of new products and services offered by NCR's competitors could impact the future operating results of NCR, particularly when these introductions coincide or precede NCR's own new products, services, systems and solutions introductions. Likewise, some of NCR's new products, services, systems and solutions may replace or compete with NCR's current offerings. NCR's future operating results will also depend upon its ability to forecast the proper mix of products, services, systems and solutions to meet the demands of its customers.

The significant competition in the information technology industry has decreased gross margins for many companies in recent years and could continue to do so in the future. Future operating results will depend in part on NCR's ability to mitigate such margin pressure by maintaining a favorable mix of products, services, systems, solutions and other revenues and by achieving component cost reductions and operating efficiencies. Changes in the mix of products, services, systems, and solutions revenues could cause operating results to vary. NCR's future operating results may depend on its recognition of and expansion into new and emerging markets. Failure to recognize and penetrate these markets in a timely fashion with the proper mix of products, services, systems, and solutions could have an adverse affect on NCR's financial condition or results of operations.

NCR's success is dependent on, among other things, its ability to attract and retain the highly-skilled technical, sales, and other personnel necessary to enable NCR to successfully develop and sell new and existing products, services, systems and solutions.

NCR's sales are historically seasonal, with revenue higher in the fourth quarter of each year. Consequently, during the three quarters ending in March, June, and September, NCR has historically experienced less favorable results than in the quarter ending in December. Such seasonality also causes NCR's working capital cash flow requirements to vary from quarter to quarter depending on the variability in the volume, timing, and mix of product sales. In addition, in many quarters, a large portion of NCR's revenue is realized in the third month of the quarter. Operating expenses are relatively fixed in the short term and often cannot be materially reduced in a particular quarter if revenue falls below anticipated levels for such quarter.

NCR's foreign operations are subject to a number of risks inherent in operating abroad. Such operations may be adversely affected by a variety of factors, many of which cannot be readily foreseen and over which NCR has no control. A significant change in the value of the dollar or other functional currencies against the currency of one or more countries where NCR recognizes revenues or earnings or maintains net asset investments may adversely impact future operating results. NCR attempts to mitigate a portion of such changes through the use of foreign currency contracts.

NCR's tax rate is dependent upon the proportion of taxable earnings derived from those international subsidiaries where NCR is historically profitable and reports a normal provision for income taxes, in relation to its total consolidated results of operations. To the extent that NCR is unable to reflect tax benefits from net operating losses and tax credits, arising primarily in the United States, to offset provisions for income taxes attributable to its profitable foreign subsidiaries, NCR's overall effective tax rate could increase.

In the normal course of business, NCR is subject to regulations, proceedings, lawsuits, claims, and other matters, including actions under laws and regulations related to the environment and health and safety, among others. Such matters are subject to the resolution of many uncertainties, and accordingly, outcomes are not predictable with assurance. Although NCR believes that amounts provided in its financial statements are currently adequate in light of the probable and estimable liabilities, there can be no assurances that the amounts required to discharge alleged liabilities from lawsuits, claims, and other legal proceedings and environmental matters, and to comply with applicable environmental laws, will not impact future operating results.

(1) UNIX is a registered trademark in the United States and other countries, exclusively licensed through X/OPEN Company Limited.

(2) WINDOWS NT is a registered trademark of Microsoft Corporation.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

10.1 Letter Agreement with Lars Nyberg Regarding Employee Benefits, dated May 9, 1997.

10.2 Change-in-Control Agreement by and between NCR Corporation and Lars Nyberg.

27 Financial Data Schedule

(b) REPORTS ON FORM 8-K

On June 24, 1997, NCR filed a Current Report on Form 8-K with respect to its expected second quarter 1997 financial results.

On July 22, 1997, NCR filed a Current Report on Form 8-K, including unaudited condensed consolidated balance sheets as of June 30, 1997, and unaudited condensed consolidated statements of operations, consolidated revenue summary, and condensed consolidated statements of cash flows for the quarter ended June 30, 1997, with respect to its Press Release on its second quarter financial results.

SIGNATURE

Pursuant to the requirements of Section 13 or 15 (d) 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: August 13, 1997

By: /s/ John L. Giering

John L. Giering, Senior Vice-President
and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Letter Agreement with Lars Nyberg Regarding Employee Benefits, dated May 9, 1997.
10.2	Change-in-Control Agreement by and between NCR Corporation and Lars Nyberg.
27	Financial Data Schedule

EXHIBIT 10.1

May 9, 1997

Mr. Lars Nyberg
3600 Woodhollow Road
Kettering, Ohio 45429

Dear Lars:

In connection with the spin-off of NCR Corporation ("NCR") from AT&T Corp. ("AT&T"), NCR and AT&T entered into an Employee Benefits Agreement allocating between the two companies the primary responsibility for payment of certain items of compensation and benefits, including compensation and benefits described in letter agreements between you and AT&T dated April 19, 1995 and June 7, 1996 (the "AT&T Letter Agreements").

This letter agreement (the "Agreement") documents the compensation and benefits which NCR agreed to pay to you pursuant to the Employee Benefits Agreement.

1. As of January 1, 1997, you will continue to be employed by NCR as Chairman of the Board and Chief Executive Officer ("CEO"). You will report to the Board of Directors of NCR. Your base salary will be established by the Board of Directors, and will be increased annually to reflect individual performance and base salary structure changes applicable to similarly situated senior executives. You will receive annual and long-term incentive payments as established by the Board of Directors. It is anticipated that, at least initially, long term incentives provided to you by NCR after its spin-off from AT&T will be generally comparable to those provided to you by NCR prior to the spin-off.

2. You will receive an annual cash payment of up to $10,000 to address education costs for your son in Sweden payable each December during the time he is a student. Any payment will include an additional tax reimbursement amount sufficient to pay the income and employment taxes that you incur with respect to both the educational reimbursement and the tax reimbursement itself.

3. In addition to the compensation and benefits described in this Agreement, you are entitled to severance benefits as described in the Change-in-Control Agreement between you and NCR. You are also eligible to participate in the NCR employee benefit plans available to U.S. based senior executives, including the benefits listed on Attachment A.

4. You will be provided a Completion Bonus by NCR based solely on your continued employment by NCR as follows:

June 1, 1997	$ 375,000
June 1, 1998	$ 375,000
June 1, 1999	$3,875,000

Pursuant to the AT&T Letter Agreements, you received payment of a Completion Bonus from AT&T of $375,000 as of June 1, 1996.

5. In the event of your (1) death, (2) "Disability" (as defined below), (3) involuntary termination for other than "Cause" (as defined below), or (4) "Termination for Good Reason" (as defined below), you (or your estate in the event of your death) will be provided a one-time payment within 45 days of such termination or death, equal to $5,000,000 offset by what you have already received under the schedule of payments set forth in paragraph 4, including the June 1, 1996 payment from AT&T.

For purposes of this Agreement, "Cause" shall be defined as follows: (1) your conviction (including a plea of guilty or nolo contendere) of a felony or any crime of theft, dishonesty, or moral turpitude; or (2) gross omission or gross dereliction of any statutory or common law duty of loyalty to your employer. "Disability" shall be defined as your termination of employment for disability with eligibility to receive long term disability benefits under the terms of an NCR plan. "Termination for Good Reason" shall be defined as voluntary termination by you on or before June 1, 1999 following (a) a reduction in annual total compensation (i.e., base salary, target annual incentive, "Long Term Incentive" as valued below) to less than $3,000,000, or (b) your ceasing to hold the position of CEO of NCR. For purposes of these definitions only, the dollar value of your annual "Long Term Incentive" grants shall be determined by valuing Performance Shares, Performance Units, Stock Units, Restricted Stock, Restricted Stock Units, etc., at the market price at grant and assuming 100% performance achievement if such grants include performance criteria, and Stock Options and SARs will be valued at 50% of the market price of the shares or related shares at grant, as applicable.

6. If (1) you continue to be employed as CEO of NCR, and (2) you are asked and you agree to sign an employment contract for an additional two year period beyond June 1, 1999, upon the later of (1) execution of that employment contract or (2) June 1, 1999, you will be paid a Re-enlistment Bonus of $2,000,000.

7. NCR has established a Rabbi Trust with assets sufficient to fund the portion of the Completion Bonus that was unpaid at the time of the spin-off, as well as the Re-Enlistment Bonus. Under current IRS regulations, establishment of

the Trust does not result in immediate taxable income to you. Benefits payable from the Trust, however, would be taxable income to you at the time of payment. The foregoing should not be considered tax advice to you, for which you should consult your own tax advisor.

8. Pursuant to the AT&T Letter Agreements, in September, 1995 AT&T granted you a Special Equity Grant of 400,000 AT&T Leveraged Stock Options and 35,000 AT&T Restricted Stock Units. The AT&T Leveraged Stock Options were replaced with a grant of options for an equivalent number of shares of NCR common stock under the same terms and conditions on January 2, 1997. In the event of your (1) involuntary termination from NCR for other than Cause or (2) Termination for Good Reason from NCR, such replacement options will continue to become exercisable as applicable in accordance with the terms and conditions of the option grant, as if you continued to be actively employed by NCR. In the event of your death or Disability, such options will become immediately exercisable. The 35,000 AT&T Restricted Stock Units remain denominated in AT&T stock and remain the responsibility of AT&T, and are not assumed by NCR pursuant to this Agreement.

9. Pursuant to the AT&T Letter Agreements, effective January 2, 1997, NCR provided to you an NCR stock option grant with a $5,000,000 "face value" and a grant of NCR restricted stock units with a $5,000,000 "face value." These options and restricted stock units will become exercisable or cliff vest, as applicable, in September, 1999. In the event of your (1) involuntary termination from NCR for other than Cause or (2) Termination for Good Reason from NCR, these options and restricted stock units will continue to become exercisable or vest, as applicable, in accordance with the schedule under which these awards were granted, subject to their terms and conditions, as if you continued to be actively employed by NCR. In the event of your death or Disability, such options and restricted stock units will become immediately exercisable or released of restricted, as applicable.

10. All of your unexercised AT&T stock options and all of your undistributed/unvested AT&T restricted stock units outstanding on the spin-off date, other than the 35,000 AT&T restricted stock units granted by AT&T to you in September, 1995, were replaced with comparable awards based on NCR stock with share numbers and exercise prices, as applicable, adjusted to preserve the value (including any aggregate spread) of such awards at spin-off.

11. This letter is not an employment contract and should not be construed or interpreted as containing any guarantee of continued employment. The employment relationship at NCR is by mutual consent ("employment-at-will"). NCR reserves the right to discontinue your employment with or without cause at any time and for any reason.

12. Payments and benefits under NCR plans and programs, as well as other payments referred to in this Agreement, are subject to Internal Revenue Service rules and regulations with respect to tax withholding and reporting, and will not be grossed-up for taxes unless specifically stated otherwise. NCR reserves the right to discontinue or modify any plans, programs and practices.

13. For purposes of NCR employee benefit plans, the definition of compensation is as stated in the plans. Currently, benefits under the NCR Pension Plan, the NCR Savings Plan and the NCR Group Benefits Plan for Active Associates are based on base salary and bonuses, excluding retention and work completion bonuses and moving expenses. All other compensation and payments reflected in this Agreement, e.g., the Completion Bonus, Re-enlistment Bonus, educational reimbursement and tax-gross-up, stock options and restricted stock units, are not included in the calculation of employee benefits.

14. This Agreement documents NCR's willingness to pay you certain compensation and benefits described in the AT&T Letter Agreements. Any rights that you continue to have under the A&T Letter Agreements are not affected by execution of this Agreement.

If you agree with the foregoing, please sign this Agreement in the space provided below and return the executed copy to me.

Sincerely,

/Richard H. Evans/

Richard H. Evans
Senior Vice President
Global Human Resources

/Lars Nyberg/ May 20, 1997
- ----------------------------------- ---------------------------------
Acknowledged and Agreed to Date
L. Nyberg

Attachment A

Lars Nyberg Participation in NCR Employee Benefit Plans

1. NCR Pension Plan

2. NCR Savings Plan

3. NCR Employee Stock Purchase Plan

4. NCR WorldShares Plan

5. The Retirement Plan for Officers of NCR ("SERP II")

6. Group Benefits Plan for Active Associates of NCR (includes Personal Choice selection of available options for health care, dental care, life insurance, short term and long term disability coverage, and other group benefits)

7. NCR Workforce Redeployment Plan

8. NCR Executive Financial Planning

9. Change-in-Control Agreement between NCR and Lars Nyberg, effective January 1, 1997

EXHIBIT 10.2

CHANGE-IN-CONTROL AGREEMENT

AGREEMENT by and between NCR Corporation, a Maryland corporation (the "Company") and Lars Nyberg, effective as of January 1, 1997.

The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have your continued dedication, notwithstanding the possibility, threat or occurrence of a Change-in-Control (as defined below) of the Company. The Board believes it is imperative to diminish your inevitable distraction by the personal uncertainties and risks created by a pending or threatened Change-in-Control and to encourage your full attention and dedication to the Company currently and in the event of any threatened or pending Change-in-Control, and to provide you with compensation and benefits arrangements upon a Change-in-Control which ensure that your compensation and benefits expectations will be satisfied and are competitive with those of other corporations. Therefore, to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

In order to induce you to remain in the employ of the Company, the Company agrees that you shall receive the severance benefits set forth in this Agreement in the event your employment with the Company is terminated subsequent to a Change-in-Control in the circumstances hereinafter described.

1. Entitlement to Benefits

If your employment with the Company is terminated during the three-year period beginning on the date of a Change-in-Control, either (a) involuntarily, except for Cause, or (b) voluntarily, due to Good Reason, you will be entitled to receive the benefits described in Section 3 ("Change-in-Control Benefits"), provided you execute a release of all employment-related claims against the Company and its subsidiaries and affiliates existing as of the date of execution, in the standard form used by the Company without material modification, addition or deletion. You will also become entitled to the Change-in-Control Benefits if you voluntarily terminate employment with the Company for any reason during the thirteenth month following the month in which a Change-in-Control occurs, provided a release of claims is executed. You will not receive such benefits if your employment with the Company terminates due to any other reason, such as death or your becoming disabled to the extent that you qualify for benefits from the NCR Long Term Disability Plan. The Change-in-Control Benefits are payable in lieu of any benefits you might be entitled to receive under the NCR Workforce Redeployment Plan.

2. Change-in-Control Benefits

The Change-in-Control Benefits consist of the following:

(a) Separation Pay. A lump sum payment of three times your annual base pay in effect on the date of termination of employment, or the date of the Change-in-Control if higher, paid within 60 days after termination of employment.

(b) Incentive Pay. The Change-in-Control Benefits include a lump sum payment made within 60 days after termination of employment equal to the following incentive pay:

(i) The incentive pay earned under the Management Incentive Plan for Executive Officers, or any successor plan ("MIP") for the calendar year in which termination of employment occurs, at the greater of target for year of termination of employment or the actual cash payment for the preceding year, pro-rated in 1/12 increments for the portion of the calendar year prior to the last day of the month in which termination of employment occurs.

(ii) Three times the greater of (A) the target MIP award for the calendar year in which termination of employment occurs, or (B) the actual cash MIP award for the preceding calendar year.

(iii) Cash payment for performance cycles under the Long Term Incentive Program ("LTIP") that commenced prior to the date of termination of employment and have not been paid out. For performance cycles for which the cash value of the award has been determined (either by the issuance of restricted stock units or otherwise), the cash payment will equal the actual cash value of the award. For performance cycles for which the cash value of the award is not yet determinable, the cash payment will be calculated using the target award amount. The cash payment for the performance cycle beginning with the calendar year in which termination of employment occurs will be prorated in 1/12 increments for the portion of the performance cycle prior to the last day of the month in which termination of employment occurs.

(iv) Three times the greater of the following: (A) the target LTIP award for the performance cycle beginning in the calendar year in which termination of employment occurs, or (B) the cash value of the most recent actual LTIP award received by you.

(c) Health Care and Insurance Coverage. Coverage for you and your eligible dependents under the following Company welfare plans at no cost to you for the separation pay period: (i) Coverage under the NCR Health Care Plan at the Choice 2 level (20% co-payment); (ii) Coverage under the NCR Dental Plan at the Choice 2 level;

(iii) Life insurance coverage at two times base pay; and (iv) Accidental death and dismemberment coverage at two times base pay.

If you are enrolled in Health Care Choice 1 or an HMO immediately prior to termination of employment, you may continue this coverage in lieu of the Health Care Choice 2 by paying the difference in cost between the current coverage and Health Care Choice 2.

The coverages described in this subparagraph (c) will not terminate if you become employed by an unrelated company, but will be secondary to any coverage as an active employee. Extended health care and dental care coverage runs concurrently with COBRA continuation coverage rights, so no additional coverage under COBRA is available after the three-year severance period.

(d) Financial Counseling   Continuation of executive financial counseling benefits as in effect under the Company's policy on the date of the Change-in-Control, for three years following termination of employment.

(e) Outplacement Assistance   The Change-in-Control Benefits include the Company's executive outplacement assistance program for three years following termination of employment, provided by Wright Associates or a similar organization, as in effect under the Company's policy on the date of the Change-in-Control.

(f) Tax Gross-Up

(i) If it is determined that any payment or distribution by the Company to you or for your benefit (whether paid or payable or distributed or distributable pursuant to the terms of this Plan or otherwise, but determined without regard to any additional payments required under this subsection (f)) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by you with respect to such excise tax (such excise tax, together with any such interest and penalties, hereinafter collectively referred to as the "Excise Tax"), then the Change-in-Control Benefits shall include an additional payment ("Gross-Up Payment") in an amount such that after payment by you of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any federal and state income taxes (and any interest and penalties imposed with respect thereto), the Medicare portion of FICA, and excise taxes imposed upon the Gross-Up Payment, you retain an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the payments.

(ii) Subject to the provisions of subsection (iii), all determinations required to be made under this subsection (f), including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Price Waterhouse (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and you within 15 business days of the receipt of notice from you that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change-in-Control, you shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this subsection (f), shall be paid by the Company to you within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and you. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to subsection (iii) and you thereafter are required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to you or for your benefit.

(iii) You shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after you are informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. You shall not pay such claim prior to the expiration of the 30-day period following the date on which you give such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies you in writing prior to the expiration of such period that it desires to contest such claim, you shall:

(A) give the Company any information reasonably requested by the Company relating to such claim,

(B) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(C) cooperate with the Company in good faith in order effectively to contest such claim, and

(D) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold you harmless, on an after-tax basis, for any Excise Tax or federal and state income tax (including interest and penalties with respect thereto) and the Medicare portion of FICA imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this subsection (iii), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct you to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and you agree to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs you to pay such claim and sue for a refund, the Company shall advance the amount of such payment to you, on an interest-free basis and shall indemnify and hold you harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for your taxable year with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and you shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(iv) If, after the receipt by the Participant of an amount advanced by the Company pursuant to subsection (f), you become entitled to receive any refund with respect to such claim, you shall (subject to the Company's complying with the requirements of subsection (iii)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by you of an amount advanced by the Company pursuant to subsection (iii), a determination is made that you shall not be entitled to any refund with respect to such claim and the Company does not notify you in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent, thereof, the amount of Gross-Up Payment required to be paid.

3. Death Benefits

If you die after becoming entitled to the Change-in-Control Benefits but before receiving payment, the Change-in-Control Benefits will be paid to your estate. Your eligible dependents will continue coverage under the Health Care Plan and Dental Plan for the remainder of the three-year coverage period.

4. Trust

The Compensation Committee may establish a trust with a bank trustee (the "Trust") for the purpose of paying benefits under this Agreement, as well as the NCR Change-in-Control Severance Plan for Executive Officers and the NCR Change-in-Control Severance Plan for At-Risk Associates. The trust may be a grantor trust subject to the claims of the Company's creditors.

5. Term of Agreement

This Agreement shall commence on December 31, 1996 and shall continue in effect through December 31, 2000; provided, however, that commencing on January 1, 1998, and on each January 1 thereafter, the term of this Agreement shall automatically be extended for one additional year beyond its original or extended termination date so that, unless notice shall have been given as provided in the following paragraph, on each January 1, this Plan shall have an unexpired term of three years.

The Board of Directors of the Company may, not later than November 30 of any year, by resolution duly adopted by a majority of the entire membership of the Board, determine that this Agreement shall not be extended, in which event this Agreement shall expire at the end of the three-year term which began on the January 1 immediately preceding such November 30.

Notwithstanding any resolution of the Board not to extend the term of this Agreement, if a Change-in-Control shall have occurred during the original or any extended term of the Agreement, the Agreement shall continue in effect for three years after the date of the Change-in-Control.

6. Successors

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform under this Agreement in the same manner and to the same extent that the Company or a subsidiary (as appropriate) is required to perform. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall entitle you, if you terminate employment during the period of time the Agreement would have been in effect had the Company complied with the first sentence of this Paragraph 6, to compensation from the Company in the same amount and on the same terms as you would be entitled hereunder if you had terminated employment for Good Reason following a Change-in-Control.

7. Definitions

(a) "Cause" means:

(i) your willful and continued failure to perform substantially the appropriate duties of your position with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), for a period of at least 30 days after a written demand for substantial performance is delivered to you by the Board which specifically identifies the manner in which the Board believes that you have not substantially performed your duties, or

(ii) you willfully engage in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on your part, shall be considered "willful" unless it is done, or omitted to be done, in bad faith or without reasonable belief that your action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done in good faith and in the best interests of the Company. The termination of your employment shall not be deemed to be for Cause unless and until there shall have been delivered to you a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to you and you are given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, you are guilty of the conduct described in subsection (i) or (ii) above, and specifying the particulars.

(b) "Change-in-Control" means any of the following events:

(i) An acquisition by any individual, entity or group (within the meaning of Article 13(d)(3) or 14(d)(2) of the Exchange Act) (an "Entity") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock"), or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (1) any acquisition, directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) below; or

(ii) A change in the composition of the Board such that the individuals who, as of January 1, 1997, constitute the Board (such Board shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this definition, any individual who becomes a member of the Board subsequent to January 1, 1997, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this provision) shall be considered as though such individual were a member of the Incumbent Board; and provided further, however, that any such individual whose initial assumption of office occurs as a result of or in connection with either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of an Entity other than the Board shall not be so considered as a member of the Incumbent Board; or

(iii) The approval by the stockholders of the Company of a merger, reorganization or consolidation or sale or other disposition of all or substantially all of the assets of the Company (each, a "Corporate Transaction") or, if consummation of such Corporate Transaction is subject, at the time of such approval by stockholders, to the consent of any government or governmental agency, the obtaining of such consent (either explicitly or implicitly by consummation); excluding, however, such a

Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation or other Person (as defined below) which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries (a "Parent Company")) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Entity (other than the Company, any employee benefit plan (or related trust) of the Company, such corporation resulting from such Corporate Transaction or, if reference was made to equity ownership of any Parent Company for purposes of determining whether clause (A) above is satisfied in connection with the applicable Corporate Transaction, such Parent Company) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors unless such ownership resulted solely from ownership of securities of the Company prior to the Corporate Transaction, and (C) individuals who were members of the Incumbent Board will immediately after the consummation of the Corporate Transaction constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction (or, if reference was made to equity ownership of any Parent Company for purposes of determining whether clause (A) above is satisfied in connection with the applicable Corporate Transaction, of the Parent Company); or

(iv) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

As used herein, "Person" means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, limited liability company, other entity or government or political subdivision thereof.

(c) "Good Reason" means:

(i) the assignment to you of any duties inconsistent in any respect with your position (including status, offices, titles and reporting requirements), authority, duties or responsibilities, as in effect immediately prior to a Change-in-Control, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by you;

(ii) any reduction in your annual base salary as in effect immediately before the Change-in-Control,

(iii) the failure to pay incentive compensation to which you are otherwise entitled under the terms of the Company's Management Incentive Plan for Executive Officers ("MIP") or Long Term Incentive Program ("LTIP"), or any successor incentive compensation plans at the time at which such awards are usually paid or as soon thereafter as administratively feasible, unless the failure to pay the incentive compensation is because of the failure to meet objectives based on quantitative performance;

(iv) the provision to you of an opportunity to earn a target annual bonus under the MIP or a target performance award under the LTIP or any successor incentive compensation plans substantially less in amount than your target opportunities for the last complete fiscal year of the Company ending prior to the Change-in-Control;

(v) the failure by the Company to continue in effect any incentive stock option plan in which you participate immediately prior to the Change-in-Control, unless a substantially equivalent alternative compensation arrangement (embodied in an ongoing substitute or alternative plan) has been provided to you, or the failure by the Company to continue your participation in any such stock option plan on substantially the same basis, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed immediately prior to the Change-in-Control;

(vi) Except as required by law, the failure by the Company to continue to provide to you employee benefits substantially equivalent, in the aggregate, to those enjoyed by you under the qualified and nonqualified employee benefit and welfare plans of the Company, including, without limitation, the pension, life insurance, medical, dental, health and accident, disability retirement, and savings plans, in which you were eligible to participate immediately prior to the Change-in-Control, or the failure by the Company to provide you with the number of paid vacation days to which you were entitled under the Company's vacation policy immediately prior to the Change-in-Control.

(vii) the Company's requiring you to be based at any office or location other than the principal place of your employment in effect immediately prior to the Change-in-Control that is more than 35 miles distant from the location of such principal place of employment, unless the relocation is part of a relocation, for bona fide business reasons, of the Company, or the Company's requiring you to travel on Company business to a substantially greater extent than required immediately prior to the Change-in-Control;

(viii) any failure by the Company to comply with Paragraph 6, Successors.

Any good faith determination of "Good Reason" made by you shall be conclusive.

8. Legal Fees

The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which you may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, you or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (whether such contest is between the Company and you or between either of us and any third party), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Internal Revenue Code, unless, in the case of a legal action brought by you or in your name, a court finally determines that such action was not brought in good faith.

9. Arbitration

Any dispute or controversy arising under or in connection with this Plan shall be settled exclusively by arbitration in the City of Dayton, Ohio in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

10. Miscellaneous

No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be specifically designated by the Board or the Compensation Committee. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof (i.e., change-in-control severance benefits) have been made by either party which are not expressly set forth in this Agreement. This Agreement does not supersede or replace any other agreement or plan under which you are entitled to benefits or compensation from the Company that is in effect on the date of your termination of employment, except for the NCR Workforce Redeployment Plan and the NCR Change-in-Control Severance Plan for Executive Officers. Accordingly, the letter agreement between you and NCR effective January 1, 1997, specifying NCR's obligation to pay compensation and benefits due to you under the letter agreements between you and AT&T dated April 18, 1995 and June 7, 1996, are not superseded or otherwise affected by this Change-in-Control Agreement.

This Agreement shall be subject to the laws of the State of Ohio. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law. The obligations of the Company under Paragraphs 3 and 4 shall survive the expiration of the term of this Agreement. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

NCR CORPORATION

By: /Richard H. Evans/	/Lars Nyberg/
Richard H. Evans Senior Vice President, Global HR	Lars Nyberg Chairman and CEO
Date: May 9, 1997	Date: May 20, 1997

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF OPERATIONS OF NCR
CORPORATION FOR THE PERIOD ENDED JUNE 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY
BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000
U.S. DOLLARS

6-MOS
DEC-31-1997
JUN-30-1997
1
839
317
1,446
0
517
3,363
2,308
1,423
5,285
1,940
36
0
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1
1,429
5,285
1,633
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1,136
2,212
859
0
6
(13)
7
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