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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01 per share	New York Stock Exchange

Securities to be registered pursuant to Section 12(g) of the Act: None

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. YES [X] NO [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of voting stock held by non-affiliates of the registrant as of February 22, 2000 was approximately $3.8 billion. At February 22, 2000, there were 93,834,699 shares of common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Parts I and II: Portions of the registrant's Annual Report to Stockholders for the year ended December 31, 1999.

Part III: Portions of the registrant's Proxy Statement dated March 10, 2000, issued in connection with the annual meeting of stockholders.

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This Report contains trademarks, service marks, and registered marks of the Company and its subsidiaries, and other companies, as indicated.

PART I

Item 1. BUSINESS

General

NCR Corporation and its subsidiaries (NCR or the Company) provide solutions designed specifically to enable businesses to build, expand and enhance their relationships with their customers by facilitating transactions and transforming data from transactions into useful business information.

Through its presence at customer interaction points, such as self service (e.g., automated teller machines) or store automation (e.g., point-of-sale workstations), NCR's solutions are designed to help businesses process consumer transactions. They also offer businesses the opportunity to centralize detailed information in a data warehouse, analyze the complex relationships among all of the different data elements and respond with programs designed to improve consumer acquisition, retention and profitability. NCR offers specific solutions for the retail and financial industries and also provides solutions for industries including telecommunications, transportation, insurance, utilities and electronic commerce as well as consumer goods manufacturers and government entities. These solutions are built on NCR's foundation of long-established industry knowledge and consulting expertise, value-adding software, global customer support services, a complete line of consumable and media products and a range of hardware technology.

NCR was originally incorporated in 1884 and was a publicly traded company on the New York Stock Exchange prior to its merger with a wholly-owned subsidiary of AT&T Corp. (AT&T) on September 19, 1991. Effective December 31,1996, AT&T distributed to its stockholders all of its interest in NCR (the Distribution) on the basis of one share of NCR common stock for each 16 shares of AT&T common stock. The Distribution resulted in approximately 101.4 million shares of NCR common stock outstanding as of December 31, 1996. NCR common stock is listed on the New York Stock Exchange and trades under the symbol "NCR".

Revenue by similar classes of products and services is reported in Note 10, "Segment Information and Concentrations" in the Notes to Consolidated Financial Statements on pages 74-77 of NCR's 1999 Annual Report to Stockholders and is incorporated herein by reference.

Geographic information is reported in Note 10, "Segment Information and Concentrations" in the Notes to Consolidated Financial Statements on pages 74-77 of NCR's 1999 Annual Report to Stockholders and is incorporated herein by reference.

NCR operates in one industry, the information technology industry, and its business is structured along the four operating segments described below.

Retail Industry Solutions

Products, Services and Solutions

NCR's retail industry solutions are designed to improve customer service and operating efficiency. These solutions bring together the Company's industry expertise, professional consulting services, software, hardware and strategic alliances to build integrated solutions that improve retail customers' business results. Offerings for the retail industry are grouped into two solution portfolios: Store Automation and Retail Data Warehousing.

Store Automation solutions are designed to improve service levels and operating efficiency for retailers. Solutions may include point-of-sale terminals, barcode scanners, scanner-scales, electronic shelf labeling, kiosks/Web kiosks, applications software and other hardware and software utilized in merchandise checkout areas, along with professional consulting and customer support services.

Retail Data Warehousing solutions enable retailers to use information gathered from customer transactions to analyze and manage every outlet, product and consumer relationship, individually.

Target Markets and Distribution Channels

The major segments of the retail industry market served by NCR are general merchandise, food and drug and hospitality. The general merchandise segment includes department stores, specialty retailers, mass merchandisers and catalog stores; the food and drug segment includes supermarkets, hypermarkets, grocery, drug, wholesalers and convenience stores; and the hospitality segment includes lodging (hotel/motel), fast food/quick service and restaurants.

NCR's offerings for the retail industry are marketed through a combination of direct and indirect channels. The majority of the networked and scalable data warehousing offerings sold by NCR into the retail industry are sold through the Company's direct sales force. In addition to being sold by NCR's direct sales force, NCR retail products, services and solutions are sold through alliances with value-added resellers, distributors and dealers worldwide. NCR provides supporting services, including collateral sales materials, sales leads, porting facilities and marketing programs, to this sales channel. In recent years, over 90% of traditional retail product sales (primarily barcode scanners and point-of-sale terminals) were sold by the direct sales force; the remainder were sold through indirect channels.

Competition

NCR faces significant competition in the retail industry in all geographic areas where it operates. The Company believes that key competitive factors can vary by geographic area but typically include quality of the solutions or products, total cost of ownership, industry knowledge of the vendor, and knowledge, experience and quality of the vendor's consulting and support services. NCR's competitors vary by solution, product, service offering and geographic area.

Financial Industry Solutions

Products, Services and Solutions

NCR's financial industry solutions are designed to help the financial services industry process consumer transactions, with particular focus on retail banking. These offerings include four solution portfolios: Self Service, Financial Data Warehousing, Payment and Imaging and Channel Delivery.

The Self Service solutions offer a complete range of self service consumer interaction points. These Self Service solutions are principally automated teller machines (ATMs), including specialized models that dispense customized information and non-cash items such as tickets and coupons, along with professional consulting and customer support services. NCR incorporates biometrics technology, such as iris-scanning customer identification, in some offerings.

Financial Data Warehousing solutions enable financial services institutions to transform data about consumer behavior into information that can be used to change the way financial businesses interact with those consumers.

Payment and Imaging solutions include item-processing devices that read and sort checks and other paper items, image-processing devices that convert checks and other paper items into electronic images, outsourced management of item-image processing facilities, professional consulting and customer support services, and products and services related to emerging methods of payment.

Channel Delivery solutions are designed to help banks reach customers through new channels and include products and professional consulting and customer support services related to bank branch automation, call centers, home banking, switching and account processing.

Target Markets and Distribution Channels

NCR serves a number of segments in the financial services industry. These segments include retail banking, which covers both traditional and newer providers of consumer banking services and financial services, such as the insurance and card payment industries, as well as the non-traditional financial services segment, including companies that have diversified into the financial services area to complement their core businesses. NCR's financial services industry customers are located throughout the world in both established and emerging markets. These customers range from very large to very small financial service providers, reflecting, in NCR's view, its ability to develop solutions for the variety of companies that make up the world's financial services industry.

NCR has historically distributed most of its financial solutions, products and services through NCR's direct sales channel, although certain revenues are derived through sales by distributors. In recent years, over 90% of traditional financial product sales were sold by the direct sales force; the remainder were sold through indirect channels.

Competition

NCR faces significant competition in the financial services industry in all geographic areas where it operates. The primary areas of competitive differentiation can vary, but typically include quality of the solutions or products, the industry knowledge of the vendor, the vendor's ability to provide and support a total, end-to-end solution, the vendor's ability to integrate new and existing systems, the fit of the vendor's strategic vision with the customer's strategic direction and the quality of the vendor's support and consulting services. NCR's competitors vary by solution, product, service offering and geographic area.

Teradata Solutions

Products, Services and Solutions

NCR's Teradata Solutions Group (TSG) provides Data Warehousing and other solutions to interface with customers through new channels. The customer base primarily includes industries such as telecommunications, transportation, insurance, utilities and electronic commerce as well as consumer goods manufacturers and government entities. These solutions integrate software, hardware, professional consulting services, customer support services and products from leading technology firms that partner with NCR to meet customer needs. These solutions are grouped primarily into two portfolios: National Accounts Data Warehousing and Customer Interaction.

National Accounts Data Warehousing solutions help companies profitably increase revenue by using data warehousing capabilities to gain insight into consumers' activities and choices, asset use, operations and financial results.

Customer Interaction solutions are designed for all types of customer interfaces, including call centers, Web interaction and kiosks.

Target Markets and Distribution Channels

The Teradata Solutions Group serves customers outside the retail and financial industries, including customers in industries such as telecommunications, transportation, insurance, utilities and electronic commerce as well as consumer goods manufacturers and government entities.

NCR's Teradata Solutions Group's offerings are marketed through a combination of direct and indirect channels. In recent years, approximately 90% of NCR's revenue from the Teradata Solutions Group's offerings has been generated by the Company's direct sales force. The remaining revenues have historically been generated from the indirect channel and through alliances with value-added resellers, distributors and OEMs.

Competition

NCR faces significant competition in the industries served by the Teradata Solutions Group in all geographic areas where it operates. NCR believes that key competitive factors in these markets are vendor experience, customer referrals, database sophistication, support and professional service capabilities, quality of the solutions or products, total cost of ownership and industry knowledge of the vendor and platform scalability. In addition, the movement toward common industry standards (such as Intel processors and UNIX(R) and Microsoft operating systems) has accelerated product development, but has also made differentiation more difficult. Hardware and operating system commoditization has extended beyond PCs into the server business. In the markets in which the Teradata Solutions Group competes, customers require applications, database software, system software, hardware, professional services and systems integration skills. Many competitors offer one or two of these components, but NCR believes it is one of few companies that can provide complete, open solutions that include all of these customer requirements. NCR's competitors include companies such as International Business Machines (IBM) and Oracle Corporation.

Systemedia Group

Products, Services and Solutions

Systemedia develops, produces and markets a complete line of business consumables to complement the Company's solutions for the retail, financial and other industries. These products include paper rolls, paper products and imaging supplies for ink jet, laser, impact and thermal-transfer printers. In addition, Systemedia develops Automatic Identification solutions that bring together barcode labels, ribbons, software and printers to meet the product marketing and distribution requirements of manufacturers and retailers.

Target Markets and Distribution Channels

The major industry segments targeted by the Systemedia Group include general merchandise, food and drug, hospitality, financial and consumer goods manufacturing. The Systemedia Group has a direct sales force in 27 countries focused on providing solutions to major accounts. In addition, Systemedia solutions are sold through office product resellers, value-added resellers and telemarketing.

Competition

Competition in the consumable and media solutions business is significant and varies by geographic area and product group. The primary areas of competitive differentiation are typically quality, logistics and supply chain management expertise and total cost of ownership. While price is always a factor, the Systemedia Group focuses on total cost of ownership for all of its products and services. Total cost of ownership takes into account not only the per unit cost of the media, but also service, usage and support costs over the life of the system.

Research and Development

Research and development expenditures for NCR are reported on page 40 of NCR's 1999 Annual Report to Stockholders and are incorporated herein by reference.

Seasonality

Seasonality information for NCR is reported on page 45 of NCR's 1999 Annual Report to Stockholders and is incorporated herein by reference.

Backlog

NCR's operating results and the amount and timing of revenue are affected by numerous factors, including the volume, mix and timing of orders received during a period and conditions in the information technology industry and in the general economy. The Company believes that backlog is not a meaningful indicator of future business prospects due to the shortening of product delivery schedules and the significant portion of revenue related to its customer support services business, for which order information is not recorded. Accordingly, NCR believes that backlog information is not material to an understanding of its business.

Sources and Availability of Raw Materials

Sources and availability of raw materials information for NCR is reported on page 44 of NCR's 1999 Annual Report to Stockholders and is incorporated herein by reference.

Patents and Trademarks

NCR owns approximately 1,300 patents in the United States and 1,400 in foreign countries. The foreign patents are generally counterparts of NCR's United States patents. Many of the patents owned by NCR are licensed to others and NCR is licensed to use certain patents owned by others. In connection with the Distribution, NCR entered into an extensive cross-licensing agreement with AT&T and Lucent Technologies Inc. (Lucent), a former subsidiary of AT&T. While NCR's portfolio of patents and patent applications is of significant value to NCR, the Company does not believe that any particular individual patent is itself of material importance to NCR's business as a whole.

NCR has registered certain trademarks and service marks in the United States and in a number of foreign countries. NCR considers the mark "NCR" and many of its other trademarks and service marks to be valuable assets.

Employees

At January 31, 2000, NCR had approximately 32,200 employees and contractors.

Environmental Matters

Information regarding environmental matters is included in the material captioned "Environmental Matters" on pages 78-80 of NCR's 1999 Annual Report to Stockholders and is incorporated herein by reference.

Item 2. PROPERTIES

As of February 22, 2000, NCR operated approximately 695 facilities consisting of approximately 14.7 million square feet throughout the world. On a square footage basis, approximately 67% are owned, and 33% are leased. Within the total facility portfolio, NCR operates approximately 31 research & development and manufacturing facilities totaling approximately 4.0 million square feet, 86% of which is owned. The remaining 10.7 million square feet within the facility portfolio includes office, repair, warehouse, and other miscellaneous sites, and is 60% owned. NCR maintains facilities in 78 countries.

NCR's business units are headquartered in: Dayton, Ohio (Teradata Solutions Group and Systemedia Group); London, United Kingdom (Financial Solutions Group); and Atlanta, Georgia (Retail Solutions Group).

NCR believes its plants and facilities are suitable and adequate, and have sufficient productive capacity to meet its current needs.

Item 3. LEGAL PROCEEDINGS

The information required by this item is included in the material captioned "Legal Proceedings" on page 80 of NCR's 1999 Annual Report to Stockholders and is incorporated herein by reference.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

Item 4. (a) EXECUTIVE OFFICERS OF THE REGISTRANT

The Executive Officers of NCR (as of March 8, 2000) are as follows:

Name	Age	Position and Offices Held
Lars Nyberg	48	Chairman of the Board, Chief Executive Officer, and President
David Bearman	54	Senior Vice President and Chief Financial Officer
Wilbert J. M. Buiter	41	Senior Vice President, Human Resources
Patrick G. Cronin	39	Senior Vice President, Financial Solutions Group
Robert A. Davis	49	Senior Vice President, Communication, Quality and Technology
William J. Eisenman	53	Senior Vice President, Worldwide Customer Services Group
Anthony Fano	56	Senior Vice President, Retail Solutions Group
Jonathan S. Hoak	50	Senior Vice President and General Counsel
Mark V. Hurd	43	Senior Vice President, Teradata Solutions Group
Keith Taylor	49	Vice President, Systemedia Group

Lars Nyberg. Mr. Nyberg has been Chairman, Chief Executive Officer, and President of NCR since June 1, 1995. Before joining NCR, from 1993 to 1995, Mr. Nyberg was Chairman and Chief Executive Officer of the Communications Division for Philips Electronics NV (Philips), an electronics and electrical products company. He also served as a member of the Philips Group Management Committee during that time. In 1992, Mr. Nyberg was appointed Managing Director, Philips Consumer Electronics Division. From 1990 to 1992, he was the Chairman and Chief Executive Officer of Philips Computer Division. Mr. Nyberg is a director of Sandvik AB based in Sweden. He became a director of NCR in 1995.

David Bearman. Mr. Bearman has been Senior Vice President and Chief Financial Officer of NCR since September 1, 1998. Before joining NCR, from 1989 to August 1998, Mr. Bearman was Executive Vice President and Chief Financial Officer of Cardinal Health, Inc., a pharmaceutical services provider.

Wilbert J. M. Buiter. Mr. Buiter has been Senior Vice President, Human Resources, of NCR since August 1, 1998. Before joining NCR, from July 1997 to July 1998, Mr. Buiter was Senior Vice President, Human Resources, for Philips Consumer Communications, a joint venture formed by Lucent and Philips. From 1995 to July 1997, Mr. Buiter was Senior Executive Officer of Philips Consumer Communications, a division of Philips, and prior to that he was a Human Resources Executive within Philips Product Division Communications Systems.

Patrick G. Cronin. Mr. Cronin became Senior Vice President, Financial Solutions Group, in November 1999. From October 1998 to October 1999, Mr. Cronin was Vice President, Worldwide Professional Services. From October 1997 to October 1998, Mr. Cronin was Vice President, Professional Services, of NCR's Customer Services Group and from 1996 to 1997, he was Vice President, Professional Services, of NCR's America's Region. Prior to that time, from 1995 to 1996, Mr. Cronin was Managing Partner for Professional Services in NCR's America's Region and, from 1994 to 1995, he was Managing Partner for Transportation in NCR's America's Region.

Robert A. Davis. Mr. Davis was appointed Senior Vice President, Communication, Quality and Technology, in February 2000. From April 1999 to February 2000 he was Senior Vice President, Quality and Public Relations. From 1995 to March 1999, Mr. Davis was Senior Vice President and Chief Quality Officer for NCR. From 1994 to 1995, Mr. Davis was with Ideon Group, Inc., a provider of credit card registry services, as Senior Vice President and Chief Quality Officer.

William J. Eisenman. Mr. Eisenman became Senior Vice President, Worldwide Customer Services Group, in November 1998. From 1995 to November 1998, Mr. Eisenman was Senior Vice President, National Accounts Solutions Group. In 1994, he was appointed Vice President, NCR Worldwide Services, Global Remote Services.

Anthony Fano. Mr. Fano became Senior Vice President, Retail Solutions Group, in 1995. From 1994 to 1995, Mr. Fano was Senior Vice President, NCR Europe and Middle East/Africa, responsible for all NCR sales and service activity in that geographic region.

Jonathan S. Hoak. Mr. Hoak became Senior Vice President and General Counsel for NCR in December 1993. He was a director of the Company from September 1996 until December 1996.

Mark V. Hurd. Mr. Hurd is Senior Vice President, Teradata Solutions Group, formerly known as the National Accounts Solutions Group, a position he has held since November 1998. From 1995 to November 1998, Mr. Hurd was Vice President, Americas Sales and Worldwide Marketing. From 1994 to 1995, Mr. Hurd was Vice President, Americas Professional Services.

Keith Taylor. Mr. Taylor has been Vice President, Systemedia Group, since August 1999. From 1998 to August 1999, Mr. Taylor was Vice President, Worldwide Customer Services, Asia/Pacific area. From 1997 to 1998, he was Director of Logistics for NCR's Worldwide Customer Services, Europe/Middle East/Africa area. From 1996 to 1997, Mr. Taylor was Director, Customer Services, Northern Europe area, and from 1994 to July 1996, was Chief Financial Officer for NCR's Worldwide Customer Services Group.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

NCR common stock is listed on the New York Stock Exchange and trades under the symbol "NCR." There were approximately 330,000 registered holders of record of NCR common stock as of February 22, 2000. The following table presents the high and low per share sales prices for NCR common stock for each quarter of 1999 and 1998.

	1999			1998	
	High	Low		High	Low
1st Quarter	55 3/4	40 3/8	1st Quarter	34 3/16	25 5/8
2nd Quarter	54 9/16	37 13/16	2nd Quarter	38 3/8	30 3/4
3rd Quarter	52 5/8	30	3rd Quarter	36	23 1/2
4th Quarter	38 5/8	26 11/16	4th Quarter	41 7/8	27 1/2

NCR does not anticipate the payment of cash dividends on NCR common stock in the foreseeable future. The declaration of dividends will be subject to the discretion of the Board of Directors of NCR. Payment of dividends on NCR common stock will also be subject to such limitations as may be imposed by NCR's credit facilities from time to time.

Item 6. SELECTED FINANCIAL DATA

The selected financial data for the five years ended December 31, 1999, which appears on page 31 of NCR's 1999 Annual Report to Stockholders, is incorporated herein by reference.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion of NCR's financial condition and results of operations is included on pages 32-49 of NCR's 1999 Annual Report to Stockholders and is incorporated herein by reference.

Item 7. (a) QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures about market risk are reported in the material captioned "Derivative Financial Instruments and Market Risk" on pages 48-49 of NCR's 1999 Annual Report to Stockholders and are incorporated herein by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of NCR, together with the report thereon of PricewaterhouseCoopers LLP dated February 8, 2000 and selected quarterly financial data appearing on pages 51-81 of NCR's 1999 Annual Report to Stockholders are incorporated herein by reference.

Item 9. CHANGES IN ACCOUNTANTS

None.

Item 9. (a) DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item with respect to directors of NCR is included on pages 8-11 of NCR's Proxy Statement, dated March 10, 2000, and is incorporated herein by reference.

Information regarding executive officers is furnished in a separate disclosure in Part I of this report because the Company did not furnish such information in its definitive proxy statement prepared in accordance with Schedule 14A.

Item 11. EXECUTIVE COMPENSATION

The information regarding the Company's compensation of its named executive officers is included in the material captioned "Executive Compensation" on pages 20-29 of NCR's Proxy Statement, dated March 10, 2000, and is incorporated herein by reference. The information regarding the Company's compensation of its directors is included in the material captioned "Compensation of Directors" on pages 13-14 of NCR's Proxy Statement, dated March 10, 2000, and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information regarding security ownership of certain beneficial owners and management is included in the material captioned "Stock Ownership" on pages 6-7 of NCR's Proxy Statement, dated March 10, 2000, and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Not applicable.

PART IV

Item 14. FINANCIAL STATEMENT SCHEDULES, REPORTS ON FORM 8-K AND EXHIBITS

* Incorporated by reference from the indicated pages of NCR's 1999 Annual Report to Stockholders.

All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

(b) Reports on Form 8-K

No reports filed on Form 8-K for the quarter ended December 31, 1999.

(c) Exhibits:

Exhibits identified in parentheses below, on file with the SEC, are incorporated herein by reference as exhibits hereto.

Exhibit No.	Description
3.1	Articles of Amendment and Restatement of NCR Corporation, as amended May 14, 1999 (Exhibit 3.1 to the NCR Corporation Form 10-Q for the period ended June 30, 1999) and Articles Supplementary of NCR Corporation (Exhibit 3.1 to the NCR Corporation Annual Report on Form 10-K for the year ended December 31, 1996 (the "1996 NCR Annual Report")).
3.2	Bylaws of NCR Corporation, as amended and restated on February 3, 2000.
4.1	Common Stock Certificate of NCR Corporation.
4.2	Preferred Share Purchase Rights Plan of NCR Corporation, dated as of December 31, 1996, by and between NCR Corporation and The First National Bank of Boston (Exhibit 4.2 to the 1996 NCR Annual Report).
10.1	Separation and Distribution Agreement, dated as of February 1, 1996 and amended and restated as of March 29, 1996 (Exhibit 10.1 to the Lucent Technologies Inc. Registration Statement on Form S-1 (No. 333-00703) (the "Lucent Registration Statement")).
10.2	Employee Benefits Agreement, dated as of November 20, 1996, by and between AT&T Corp. and NCR Corporation (Exhibit 10.2 to the 1996 NCR Annual Report).
10.3	Volume Purchase Agreement, dated as of November 20, 1996, by and between AT&T Corp. and NCR Corporation (Exhibit 10.3 to the 1996 NCR Annual Report).

10.4	Patent License Agreement, effective as of March 29, 1996, by and among AT&T Corp., NCR Corporation, and Lucent Technologies Inc. (Exhibit 10.7 to the Lucent Registration Statement).
10.5	Amended and Restated Technology License Agreement, effective as of March 29, 1996, by and among AT&T Corp., NCR Corporation, and Lucent Technologies Inc. (Exhibit 10.8 to the Lucent Registration Statement).
10.6	Tax Sharing Agreement, dated as of February 1, 1996, and amended and restated as of March 29, 1996, by and among AT&T Corp., NCR Corporation, and Lucent Technologies Inc. (Exhibit 10.6 to the Lucent Registration Statement).
10.7	NCR Management Stock Plan (Exhibit 10.8 to the 1996 NCR Annual Report).
10.8	NCR WorldShares Plan (Exhibit 10.9 to the 1996 NCR Annual Report).
10.9	NCR Senior Executive Retirement, Death & Disability Plan (Exhibit 10.10 to the NCR Corporation Registration Statement on Form 10 (No. 001-00395), dated November 25, 1996 (the "NCR Registration Statement")).
10.10	The Retirement Plan for Officers of NCR (Exhibit 10.11 to the NCR Registration Statement).
10.11	Credit Agreement, dated as of November 20, 1996, among NCR Corporation, The Lenders Party thereto, The Chase Manhattan Bank, as Administrative Agent, and Bank of America National Trust & Savings Association, as Documentation Agent (Exhibit 10.15 to the NCR Registration Statement).
10.12	NCR Change-in-Control Severance Plan for Executive Officers (Exhibit 10.16 to the 1996 NCR Annual Report).
10.13	Change-in-Control Agreement by and between NCR and Lars Nyberg (Exhibit 10.2 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended June 30, 1997).
10.14	NCR Director Compensation Program (Exhibit 10.18 to the 1996 NCR Annual Report).
10.14.1	First Amendment to the NCR Director Compensation Program.
10.14.2	Second Amendment to the NCR Director Compensation Program.
10.15	NCR Long Term Incentive Program and NCR Management Incentive Program (Exhibit 10.19 to the 1996 Annual Report).
10.16	NCR Supplemental Pension Plan for AT&T Transfers, restated effective January 1, 1997 (Exhibit 10.1 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
10.17	NCR Mid-Career Hire Supplemental Pension Plan, restated effective January 1, 1997 (Exhibit 10.2 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
10.18	NCR Nonqualified Excess Plan, restated effective January 1, 1996 (Exhibit 10.3 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
10.19	Purchase and Manufacturing Agreement, effective April 27, 1998, by and between NCR Corporation and Solectron Corporation (Exhibit 10.1 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended June 30, 1998). Certain portions of this exhibit have been granted confidential treatment by the Securities & Exchange Commission.
10.20	Letter Agreement dated August 5, 1998 (Exhibit 10.2 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).
10.21	Termination Agreement dated May 26, 1999 (Exhibit 10.1 to the NCR Corporation Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
10.22	Employment Agreement with Lars Nyberg.
13	Pages 30-81 of NCR's 1999 Annual Report to Stockholders.
21	Subsidiaries of NCR Corporation.
23	Consent of independent accountants.
27	Financial Data Schedule.

NCR will furnish, without charge, to a security holder upon written request a copy of the 1999 Annual Report to Stockholders and the 2000 Proxy Statement, portions of which are incorporated herein by reference. NCR will furnish any other exhibit at cost. Document requests are available by writing to:

NCR - Investor Relations
1700 South Patterson Boulevard
Dayton, OH 45479
Phone: 937-445-5905
http://www.ncr.com/about_NCR/ir/invest_rel.asp

NCR Corporation

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS
(In millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs & Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
Year Ended December 31, 1999					
Allowance for doubtful accounts	$ 47	$ 7	$ -	$ 23	$ 31
Deferred tax asset valuation allowance	498	59	-	272	285
Inventory valuation reserves	93	21	-	47	67
Reserves related to business restructuring	-	83	-	10	73
Year Ended December 31, 1998					
Allowance for doubtful accounts	$ 36	$ 26	$ -	$ 15	$ 47
Deferred tax asset valuation allowance	553	103	-	158	498
Inventory valuation reserves	142	24	-	73	93
Reserves related to business restructuring	165	-	(111)	54	-
Year Ended December 31, 1997					
Allowance for doubtful accounts	$ 54	$ 12	$ -	$ 30	$ 36
Deferred tax asset valuation allowance	639	22	-	108	553
Inventory valuation reserves	152	29	-	39	142
Reserves related to business restructuring	247	-	-	82	165

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors of NCR Corporation

Our audits of the consolidated financial statements referred to in our report dated February 8, 2000, appearing on page 51 of the 1999 Annual Report to Stockholders of NCR Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, this Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP

Dayton, Ohio
February 8, 2000

SIGNATURES

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: March 8, 2000

By:

/s/ Lars Nyberg

Lars Nyberg, Chairman of the Board,
Chief Executive Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title
/s/ Lars Nyberg Lars Nyberg	Chairman of the Board, Chief Executive Officer and President
/s/ David Bearman David Bearman	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ David Bohnett David Bohnett	Director
/s/ David R. Holmes David R. Holmes	Director
/s/ Linda Fayne Levinson Linda Fayne Levinson	Director
/s/ James R. Long James R. Long	Director
/s/ Ronald A. Mitsch Ronald A. Mitsch	Director
/s/ C. K. Prahalad C.K. Prahalad	Director
/s/ James O. Robbins James O. Robbins	Director
/s/ William S. Stavropoulos William S. Stavropoulos	Director

Date: March 8, 2000

Exhibit 3.2

NCR CORPORATION

BYLAWS

AS AMENDED AND RESTATED ON FEBRUARY 3, 2000

ARTICLE I.

Stockholders

Section 1. The Corporation shall hold annually a regular meeting of its stockholders for the election of the Directors and for the transaction of general business at such place within the United States as the Board of Directors shall determine and shall cause to be stated in the notice of such meeting, on any business day during the 31-day period beginning on the third Thursday of April of each year. Such annual meetings shall be general meetings, that is to say, open for the transaction of any business within the powers of the Corporation without special notice unless otherwise required by statute, by the Charter (which term, as used in these Bylaws, shall include all amendments to the Charter and all Articles Supplementary) or by these Bylaws. Failure to hold an annual meeting at the designated time shall not, however, invalidate the corporate existence or affect otherwise valid corporate acts.

Section 2. At any time in the interval between annual meetings, special meetings of the stockholders may be called as provided in the Charter, by the President, by the Board of Directors or by the holders of a majority of the then outstanding shares of common stock of the Corporation. All such meetings shall be held within the United States. No business other than that stated in the notice of the special meetings shall be transacted at such special meeting.

Section 3. Written or printed notice of every annual or special meeting of the stockholders shall be given to each stockholder entitled to vote at such meeting, by leaving the same with him or at his residence or usual place of business, by mailing it to him at his address as it appears upon the books of the Corporation, or by transmitting it to him by electronic mail or any other electronic means or as otherwise permitted by law, at least ten days and not more than ninety days before such meeting. Notice of every special meeting shall state the place, day and hour of such meeting and the business proposed to be transacted thereat; and no business shall be transacted at such meeting except that specifically named in the notice. Failure to give notice of any annual meeting, or any irregularity in such notice, shall not affect the validity of any annual meeting if held at the time and place fixed by Section 1 of this Article I, or the validity of any proceedings at any such meeting (other than proceedings of which special notice is required by statute, by the Charter or by these Bylaws). No notice of an adjourned or postponed meeting of stockholders need be given, except as required by law.

Section 4. The Chairman of any special or annual meeting of stockholders may adjourn or postpone the meeting from time to time, whether or not a quorum is present. No notice of the time and place of adjourned or postponed meetings need be given except as required by law.

The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment or postponement, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. At any such adjourned or postponed meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Except as required by statute, or as provided in the Charter or in these Bylaws, a majority of all votes cast at a duly called special or annual meeting of stockholders at which a quorum is present shall be sufficient to approve any matter which properly comes before the meeting, including the election of Directors.

Section 5. Any stockholder entitled to vote at any meeting of stockholders may vote either in person or by proxy, but no proxy which is dated more than eleven months before the meeting at which it is offered shall be accepted, unless such proxy shall, on its face, name a longer or shorter period for which it is to remain in force. A stockholder may authorize another person or persons to act as his proxy to the extent permitted by law.

Section 6. At any meeting of the stockholders, the polls shall be opened and closed, the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided, by the Chairman of the Meeting.

Section 7. At each meeting of the stockholders, a full, true and complete list in alphabetical order, or in alphabetical order by classes or series of stock, of all stockholders entitled to vote at such meeting, indicating the number and classes or series of shares held by each, shall be furnished by the Secretary.

Section 8. (a) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting pursuant to these Bylaws, (b) by or at the direction of the Board of Directors, or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this Bylaw, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Bylaw.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (a)(1) of this Bylaw, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th calendar day nor earlier than the close of business on the 120th calendar day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty calendar days before or more than sixty calendar days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th calendar day prior to such annual meeting and not later than the close of business on the later of the 90th calendar day prior to such annual meeting or the 10th calendar day following the calendar day on which public announcement of the

date of such meeting is first made by the Corporation. For purposes of determining whether a stockholder's notice shall have been delivered in a timely manner for the annual meeting of stockholders in 1997, the first anniversary of the previous year's meeting shall be deemed to be April 16, 1997. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a Director all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this Bylaw to the contrary, in the event that the number of Directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement by the Corporation naming all of the nominees for Director or specifying the size of the increased Board of Directors at least 100 calendar days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th calendar day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to Section 2 of Article I of these Bylaws. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which Directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors, (b) provided that the Board of Directors has determined that Directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this Bylaw, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Bylaw. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more Directors to the Board of Directors, any stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting pursuant to such clause (b), if the stockholder complies with the notice procedures set forth in paragraph (a)(2) of this Bylaw and if the stockholder's notice required by paragraph (a)(2) of this Bylaw shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th calendar day prior to such special meeting and not later than the close of business on the later of the 90th calendar day prior to such special meeting or the 10th calendar day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(c) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this Bylaw shall be eligible to serve as Directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Bylaw. Except as otherwise provided by law, the Charter or these Bylaws, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Bylaw and, if any proposed nomination or business is not in compliance with this Bylaw, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this Bylaw, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Bylaw, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Bylaw. Nothing in this Bylaw shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act, (b) of the holders of any series of Preferred Stock to elect Directors under an applicable Articles Supplementary (as defined in the Corporation's Charter), or (c) of the Corporation to omit proposals pursuant to Rule 14a-8 under the Exchange Act.

Section 9. No matter shall be considered at any meeting of the stockholders except upon a motion duly made and seconded. Any motion or second of a motion shall be made only by a natural person present at the meeting who either is a stockholder of the Company or is acting on behalf of a stockholder of the Company, provided, that if the person is acting on behalf of a stockholder, he or she must present a written statement executed by the stockholder or the duly authorized attorney of the stockholder on whose behalf he or she purports to act.

Section 10. At each meeting of the stockholders, the order of business and the procedures to be followed in conducting such business shall be determined by the presiding officer at the meeting in accordance with the law, the Charter and these Bylaws. The presiding officer at each meeting shall be appointed by the Board of Directors prior to the meeting.

Section 11. The acquisition of shares of common stock of the Corporation by any existing or future stockholders or their affiliates or associates shall be exempt from all of the provisions of Subtitle 7 (entitled "Voting Rights of Certain Control Shares") of title 3 of the Maryland General Corporation Law, as amended.

ARTICLE II.

Board of Directors

Section 1. Subject to the restrictions contained in the Charter and these Bylaws, the business and property of the Corporation shall be managed under the direction of its Board of Directors, which may exercise all the powers of the Corporation except such as by statute, by the Charter, or by these Bylaws, are conferred upon or reserved to the stockholders. The Board of Directors shall have the power to fix the compensation of its members and shall provide for the payment of the expenses of Directors in attending meetings of the Board of Directors and of any committee of the Board of Directors.

Section 2. Subject to removal, death, resignation or retirement of a Director, a Director shall hold office until the annual meeting of the stockholders for the year in which such Director's term expires and until a successor shall be elected and qualified, or a successor appointed as provided in Section 7.1(d) of the Charter.

Section 3. (a) From time to time, the number of Directors may be increased to not more than 20, or decreased to not less than 3, upon resolution approved by a majority of the total number of Directors which the Corporation would have if there were no vacancies (the "Whole Board"). The Directors, other than those who may be elected in accordance with the terms of any Articles Supplementary, shall be divided into three classes. Each such class shall consist, as nearly as may be possible, of one-third of the total number of Directors, and any remaining Directors shall be included with such group or groups as the Board of Directors shall designate. At the annual meeting of the stockholders of the Corporation for 1996, a class of Directors shall be elected for a one-year term, a class of Directors shall be elected for a two-year term, and a class of Directors shall be elected for a three-year term. At each succeeding annual meeting of stockholders, beginning with 1997, successors to the class of Directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of Directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of Directors in each class as nearly equal as possible, but in no case shall a decrease in the number of Directors shorten the term of any incumbent Director.

(b) Except as provided by law with respect to Directors elected by stockholders of a class or series, any Director or the entire Board of Directors may be removed for cause by the affirmative vote of the holders of not less than 80% of the voting power of all Voting Stock (as defined in the Charter) then outstanding, voting together as a single class. Subject to such removal, or the death, resignation or retirement of a Director, a Director shall hold office until the annual meeting of the stockholders for the year in which such Director's term expires and until a successor shall be elected and qualified, except as provided in Section 7.1(d) of the Charter.

(c) Except as provided by law with respect to Directors elected by stockholders of a class or series, a vacancy on the Board of Directors which results from the removal of a Director may be filled by the affirmative vote of the holders of not less than 80% of the voting power of the then outstanding Voting Stock, voting together as a single class, and a vacancy which results from any such removal or from any other cause may be filled by a majority of the remaining Directors, whether or not sufficient to constitute a quorum. Any Director so elected by the Board of Directors shall hold office until the next annual meeting of stockholders and until his successor is elected and qualified and any Director so elected by the stockholders shall hold office for the remainder of the term of the removed Director. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

Section 4. The Board of Directors shall meet for the election of officers and for the transaction of any other business as soon as practicable after the annual meeting of stockholders. Other regular meetings of the Board of Directors shall be held at such times and from time to time as may be fixed by the Board of Directors or the Chairman, and on not less than 48 hours' notice, given in such manner as the Board of Directors or the Chairman may determine. Special meetings of the Board of Directors shall be held at such times and from time to time pursuant to call of the Chairman of the Board or of the President, if the President is also a Director, with notice thereof given in writing or by telephonic or other means of communication in such manner as the Chairman of the Board or the President, as the case may be, may determine.

Section 5. Regular and special meetings of the Board of Directors may be held at such place or places within or without the State of Maryland as the Board of Directors may from time to time determine.

Section 6. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if, at any meeting of the Board of Directors, there shall be less than a quorum present, the Directors present at the meeting, without further notice, may adjourn the same from time to time, not exceeding ten days at any one time, until a quorum shall attend. Except as required by statute, or as provided in the Charter or these Bylaws, a majority of the Directors present at any meeting at which a quorum is present shall decide any questions that may come before the meeting.

ARTICLE III.

Committees of the Board of Directors

Executive Committee

Section 1. The Board of Directors may elect an Executive Committee consisting of three or more Directors. If such a Committee is established, the Board of Directors shall appoint one of the members of the Executive Committee to the office of Chairman of the Executive Committee. The Chairman and other members of the Executive Committee shall hold office until the first meeting of the Board of Directors following the annual meeting of stockholders next succeeding their respective elections or until removed by the Board of Directors or until they shall cease to be Directors. Vacancies in the Executive Committee or in the office of Chairman of the Executive Committee shall be filled by the Board of Directors.

Section 2. If such a Committee is established, all the powers of the Board of Directors in the management of the business and affairs of the Corporation, except as otherwise provided by the Maryland General Corporation Law, the Charter and these Bylaws, shall vest in the Executive Committee, when the Board of Directors is not in session.

Audit and Finance Committee

Section 3. The Board of Directors may elect an Audit and Finance Committee consisting of three or more Directors. The Board of Directors shall appoint one of the members of the Audit and Finance Committee to the office of Chairman of the Audit and Finance Committee. The Chairman and other members of the Audit and Finance Committee shall hold office until the first meeting of the Board of Directors following the annual meeting of stockholders next succeeding their respective elections or until removed by the Board of Directors or until they shall cease to be Directors. Vacancies in the Audit and Finance Committee or in the office of Chairman of the Audit and Finance Committee shall be filled by the Board of Directors.

Compensation Committee

Section 4. The Board of Directors may elect a Compensation Committee consisting of three or more Directors. The Board of Directors shall appoint one of the members of the Compensation Committee to the office of Chairman of the Compensation Committee. The Chairman and other members of the Compensation Committee shall hold office until the first meeting of the Board of Directors following the annual meeting of stockholders next succeeding their respective elections or until removed by the Board of Directors or until they shall cease to be Directors. Vacancies in the Compensation Committee or in the office of Chairman of the Compensation Committee shall be filled by the Board of Directors.

Committee on Directors

Section 5. The Board of Directors may elect a Committee on Directors consisting of three or more Directors. The Board of Directors shall appoint one of the members of the Committee on Directors to the office of Chairman of the Committee on Directors. The Chairman and other members of the Committee on Directors shall hold office until the first meeting of the Board of Directors following the annual meeting of stockholders next succeeding their respective elections or until removed by the Board of Directors or until they shall cease to be Directors. Vacancies in the Committee on Directors or in the office of Chairman of the Committee on Directors shall be filled by the Board of Directors.

Other Committees

Section 6. The Board of Directors may, by resolution adopted by a majority of the entire Board, designate one or more additional committees, each of which shall consist of one or more Directors of the Corporation, and if it elects such a committee, shall appoint one of the members of the committee to be Chairman thereof.

Meetings of Committees

Section 7. The Executive Committee and each other committee shall meet from time to time on call of its Chairman or on call of any one or more of its members or the Chairman of the Board for the transaction of any business.

Section 8. At any meeting, however called, of the Executive Committee and each other committee, a majority of its members shall constitute a quorum for the transaction of business. A majority of such quorum shall decide any matter that may come before the meeting.

Section 9. The Executive Committee and each other committee shall keep minutes of its proceedings.

ARTICLE IV.

Officers

Section 1. The Board of Directors shall appoint one of their number as Chairman of the Board and may appoint one of their number as Honorary Chairman of the Board. In addition, the Board of Directors may appoint one of their number as Acting Chairman of the Board. All of the duties and powers of the Chairman of the Board shall be vested in the Acting Chairman of the Board in the event of the absence of the Chairman or in the event that the Chairman ceases, for any reason, to be a member of the Board and the Board has not yet elected a successor. The Board of Directors shall appoint a President who may also be a Director. The Board of Directors may also appoint one or more Senior Vice Presidents and Vice Presidents, who need not be Directors, and such other officers and agents with such powers and duties as the Board of Directors may prescribe. The President shall appoint a Treasurer and a Secretary, neither of whom need be a Director, and may appoint a controller and one or more Assistant Vice Presidents, Assistant Controllers, Assistant Secretaries and Assistant Treasurers, none of whom need be a Director. All said officers shall hold office until the first meeting of the Board of Directors following the annual meeting of the stockholders next succeeding their respective elections, and until their successors are appointed and qualify. Any two of said offices, except those of President and Senior Vice President or Vice President, may, at the discretion of the Board of Directors, be held by the same person.

Section 2. Subject to any supervisory duties that may be given to the Chairman of the Board by the Board of Directors, the President shall have direct supervision and authority over the affairs of the Corporation. If the President is also a Director, and in the absence of the Chairman of the Board, the President shall preside at all meetings of the Board of Directors at which he shall be present. He shall make a report of the operation of the Corporation for the preceding fiscal year to the stockholders at their annual meeting and shall perform such other duties as are incident to his office, or as from time to time may be assigned to him by the Board of Directors or the Executive Committee, or by these Bylaws.

Section 3. The Chairman of the Board shall preside at all meetings of the Board of Directors at which he shall be present and shall have such other powers and duties as from time to time may be assigned to him by the Board of Directors or the Executive Committee or by these Bylaws.

Section 4. The Chairman of the Executive Committee shall preside at all meetings of the Executive Committee at which he shall be present and, in the absence of the Chairman of the Board and the President, if the President is also a Director, shall preside at all meetings of the Board of Directors at which he shall be present.

Section 5. Except as otherwise provided in these Bylaws, the Senior Vice Presidents shall perform the duties and exercise all the functions of the President in his absence or during his inability to act. The Senior Vice Presidents and Vice Presidents shall have such other powers, and perform such other duties, as may be assigned to him or them by the Board of Directors, the Executive Committee, the Chairman of the Executive Committee, the President, or these Bylaws.

Section 6. The Secretary shall issue notices for all meetings, shall keep the minutes of all meetings, shall have charge of the records of the Corporation, and shall make such reports and perform such other duties as are incident to his office or are required of him by the Board of Directors, the Chairman of the Board, the Executive Committee, the Chairman of the Executive Committee, the President, or these Bylaws.

Section 7. The Treasurer shall have charge of all monies and securities of the Corporation and shall cause regular books of account to be kept. The Treasurer shall perform all duties incident to his office or are required by him of the Board of Directors, the Chairman of the Board, the Executive Committee, the Chairman of the Executive Committee, the President or these Bylaws, and may be required to give bond for the faithful performance of his duties in such sum and with such surety as may be required by the Board of Directors or the Executive Committee.

ARTICLE V.

Annual Statement of Affairs and Fiscal Year

Section 1. There shall be prepared annually a full and correct statement of the affairs of the Corporation, to include a balance sheet and a financial statement of the operations for the preceding fiscal year. The statement of affairs shall be submitted at the annual meeting of the stockholders and not more than twenty (20) days after the meeting, placed on file at the Corporation's principal office. Such statement shall be prepared or caused to be prepared by such executive officer of the Corporation as may be designated by the Board of Directors. If no other executive officer is so designated, it shall be the duty of the President to prepare or cause to be prepared such statement.

Section 2. The fiscal year of the Corporation shall end on the thirty-first day of December in each year, or on such other day as may be fixed from time to time by the Board of Directors.

ARTICLE VI.

Seal

The Board of Directors shall provide (with one or more duplicates) a suitable seal, containing the name of the Corporation, which shall be in the charge of the Secretary or Assistant Secretaries.

ARTICLE VII.

Stock

Section 1. Shares of capital stock of the Corporation may be issued as share certificates or may be uncertificated. If issued as share certificates, such certificates shall be issued in such form as may be approved by the Board of Directors and shall be signed by the President, the Chairman of the Board, a Senior Vice President or a Vice President, and also countersigned by one of the following: the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary; and shall be sealed with the seal of the Corporation (which may be in the form of a facsimile of the seal of the Corporation).

Section 2. The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue and registration of certificates of stock, provided, however, that it shall conform to all requirements of any stock exchange upon which any class of its stock is listed.

Section 3. The Board of Directors at any time by resolution may direct that the stock transfer books be closed for a period not exceeding twenty days immediately preceding any annual or special meeting of the stockholders, or the payment of any dividend or any allotment of rights. In lieu of providing for the closing of the books against transfers of stock as aforesaid the Board of Directors may fix a date, not less than ten days nor more than ninety days preceding the date of any meeting of stockholders, and not more than ninety days preceding any dividend payment date or the date of any allotment of rights, as a record date for the determination of the stockholders entitled to notice of and to vote at such meeting, or entitled to receive such dividends or rights, as the case may be.

Section 4. In case any certificate of stock is lost, stolen, mutilated or destroyed, the Board of Directors shall authorize the issue of a new certificate in place thereof upon such terms and conditions as it may deem advisable.

ARTICLE VIII.

Execution of Instruments

All checks, drafts, bills of exchange, acceptances, debentures, bonds, coupons, notes or other obligations or evidences of indebtedness of the Corporation and also all deeds, mortgages, indentures, bills of sale, assignments, conveyances or other instruments of transfer, contracts, agreements, licenses, endorsements, stock powers, dividend orders, powers of attorney, proxies, waivers, consents, returns, reports, applications, appearances, complaints, declarations, petitions, stipulations, answers, denials, certificates, demands, notices or documents, instruments or writings of any nature shall be signed, executed, verified, acknowledged and delivered by such officers, agents or employees of the Corporation, or any one of them, and in such manner, as from time to time may be determined by the Board of Directors or by the Executive Committee, except as provided by statute, by the Charter or by these Bylaws.

ARTICLE IX.

Waiver of Notice of Meetings

Section 1. Notice of the time, place and/or purposes of any meeting of stockholders shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy; if any stockholder shall, in writing filed with the records of the meeting either before or after the holding thereof, waive notice of any stockholders meeting, notice thereof need not be given to him.

Section 2. Notice of any meeting of the Board of Directors need not be given to any Director if he shall, in writing filed with the records of the meeting either before or after the holding thereof, waive such notice; and any meeting of the Board of Directors shall be a legal meeting without notice thereof having been given, if all the Directors shall be present thereat.

ARTICLE X.

Amendment to Bylaws

Section 1. These Bylaws may be altered or repealed and new Bylaws may be adopted (a) at any annual or special meeting of stockholders by the affirmative vote of the holders of a majority of the voting power of the stock issued and outstanding and entitled to vote thereat, provided, however, that to the extent set forth in the Charter any proposed alteration or repeal of, or the adoption of, any Bylaw shall require the affirmative vote of the holders of at least 80% of the voting power of all Voting Stock (as defined in the Charter) then outstanding, voting together as a single class, and provided, further, however, that, in the case of any such stockholder action at a special meeting of stockholders, notice of the proposed alteration, repeal or adoption of the new Bylaw or Bylaws must be contained in the notice of such special meeting, or (b) by the affirmative vote of a majority of the Whole Board.

ARTICLE XI.

Indemnification

Section 1. The provisions of Section 2-418 of the Maryland General Corporation Law, as in effect from time to time, and any successor thereto, are hereby incorporated by reference in these Bylaws.

Section 2. Subject to the provisions of Section 4 of this Article XI, the Corporation (a) shall indemnify its Directors and officers, whether serving the Corporation or at its request any other entity, to the full extent required or permitted by the General Laws of the State of Maryland now or hereafter in force, including the advance of expenses under the procedures set forth in Section 3 hereof and to the full extent permitted by law and (b) may indemnify other employees and agents to such extent, if any, as shall be authorized by the Board of Directors and be permitted by law, and may advance expenses to employees and agents under the procedures set forth in Section 5 hereof. For purposes of this Article XI, the "advance of expenses" shall include the providing by the Corporation to a Director, officer, employee or agent who has been named a party to a proceeding, of legal representation by, or at the expense of, the Corporation.

Section 3. Any indemnification of an officer or Director or advance of expenses to an officer or Director in advance of the final disposition of any proceeding, shall be made promptly, and in any event within sixty (60) days, upon the written request of the Director or officer entitled to request indemnification. A request for advance of expenses shall contain the affirmation and undertaking described in Section 5 hereof and be delivered to the General Counsel of the Corporation or to the Chairman of the Board. The right of an officer or Director to indemnification and advance of expenses hereunder shall be enforceable by the officer or Director entitled to request indemnification in any court of competent jurisdiction, if (a) the Corporation denies such request, in whole or in part, or (b) no disposition thereof is made within sixty (60) days. The costs and expenses incurred by the officer or Director entitled to request indemnification in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall, subject to Section 4 hereof, also be indemnified by the Corporation. All rights of an officer or Director to indemnification and advance of expenses hereunder shall be deemed to be a contract between the Corporation and each Director or officer of the Corporation who serves or served in such capacity at any time while this Article XI is in effect.

Section 4. Anything in this Article XI to the contrary notwithstanding except in circumstances where indemnification is required under the General Laws of the State of Maryland now or hereafter in force, no indemnification of a Director or officer may be made hereunder unless a determination has been made in accordance with the procedures set forth in Section 2-418(a) of the Maryland General Corporation Law, as in effect from time to time and any successor thereto, that the officer or Director requesting indemnification has met the requisite standard of conduct. An officer or Director requesting indemnification shall have met the requisite standard of conduct unless it is established that: (a) the act or omission of the Director or officer was material to the matter giving rise to the proceeding, and (i) was committed in bad faith, or (ii) was the result of active and deliberate dishonesty; or (b) the Director or officer actually received an improper benefit in money, property or services; or (c) in the case of a criminal proceeding, the Director or officer had reasonable cause to believe the act or omission was unlawful.

Section 5. The Corporation may advance expenses, prior to the final disposition of any proceeding, to or on behalf of an employee or agent of the Corporation who is a party to a proceeding as to action while employed by or on behalf of the Corporation and who is neither an officer nor Director of the Corporation upon (a) the submission by the employee or agent to the General Counsel of the Corporation of a written affirmation that it is such employee's or agent's good faith belief that such employee or agent has met the standard of conduct as set forth in Section 4 hereof and an undertaking by such employee or agent to reimburse the Corporation for the advance of expenses by the Corporation to or on behalf of such employee or agent if it shall ultimately be determined that the standard of conduct has not been met and (b) the determination by the General Counsel, in his discretion, that advance of expenses to the employee or agent is appropriate in light of all of the circumstances, subject to such additional conditions and restrictions not inconsistent with this Article XI as the General Counsel shall impose.

Section 6. The indemnification and advance of expenses provided by this Article XI (a) shall not be deemed exclusive of any other rights to which a person requesting indemnification or advance of expenses may be entitled under any law (common or statutory), or any agreement, vote of stockholders or disinterested Directors or other provision that is not contrary to law, both as to action in his or her official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Corporation, (b) shall continue in respect of all events occurring while a person was a Director, officer, employee or agent of the Corporation, and (c) shall inure to the benefit of the estate, heirs, executors and administrators of such person.

Section 7. This Article XI shall be effective from and after the date of its adoption and shall apply to all proceedings arising prior to or after such date, regardless of whether relating to facts or circumstances occurring prior to or after such date. Subject to Article X of these Bylaws nothing herein shall prevent the amendment of this Article XI, provided that no such amendment shall diminish the rights of any person hereunder with respect to events occurring or claims made before the adoption of such amendment or as to claims made after such adoption in respect of events occurring before such adoption.

Section 8. The Board of Directors may take such action as is necessary to carry out the indemnification provisions of this Article XI and is expressly empowered to adopt, approve and amend from time to time such resolutions or contracts implementing such provisions or such further indemnification arrangements as may be permitted by law.

EXHIBIT 4.1

NCR CORPORATION
A Maryland Corporation

COMMON STOCK
Par Value $.01

[PHOTO]
John H. Patterson-Founder

CUSIP 628862 10 4
See Reverse for Certain Definitions

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF

NCR Corporation, transferable on the books of the Corporation by the owner in person, or by duly authorized attorney, upon surrender of this certificate properly endorsed. This certificate and the shares represented hereby are subject to all the terms, conditions and limitations of the Charter of the Corporation and all amendments thereto and supplements thereof. This certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

DATED:

COUNTERSIGNED AND REGISTERED:
American Stock Transfer and Trust Company
(New York, New York)

TRANSFER AGENT AND REGISTRAR

By: /s/ George Karfunkel

AUTHORIZED SIGNATURE

/s/ Lars Nyberg

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

/s/ Laura Nyquist

SECRETARY

[seal: NCR CORPORATION, MARYLAND 1926]

NCR CORPORATION

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER ON REQUEST AND WITHOUT CHARGE A FULL STATEMENT OF THE DESIGNATIONS AND ANY PREFERENCES, CONVERSION AND OTHER RIGHTS, VOTING POWERS, RESTRICTIONS, LIMITATIONS AS TO DIVIDENDS, QUALIFICATIONS AND TERMS AND CONDITIONS OF REDEMPTION OF THE STOCK OF EACH CLASS WHICH THE CORPORATION IS AUTHORIZED TO ISSUE OR THE DIFFERENCES IN THE RELATIVE RIGHTS AND PREFERENCES BETWEEN THE SHARES OF EACH SERIES OF A PREFERRED OR SPECIAL CLASS OF STOCK WHICH THE CORPORATION IS AUTHORIZED TO ISSUE TO THE EXTENT THEY HAVE BEEN SET AND OF THE AUTHORITY OF THE BOARD OF DIRECTORS TO SET THE RELATIVE RIGHTS AND PREFERENCES OF SUBSEQUENT SERIES OF A PREFERRED OR SPECIAL CLASS OF STOCK. SUCH REQUEST MAY BE MADE TO THE SECRETARY OF THE CORPORATION OR TO ITS TRANSFER AGENT.

THE FOLLOWING ABBREVIATIONS, WHEN USED IN THE INSCRIPTION ON THE FACE OF THIS CERTIFICATE, SHALL BE CONSTRUED AS THOUGH THEY WERE WRITTEN OUT IN FULL ACCORDING TO THE APPLICABLE LAWS OR REGULATIONS:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

IT TEN - as joint tenants with right of survivorship and not as tenants in common

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UNIF GIFT MIN ACT --                  Custodian
                     ----------------           -----------------
                        (Cust)                       (Minor)
                     under Uniform Gifts to Minors Act
                                                           ------------------
                                                                 (State)
```

Additional abbreviations may also be used though not in the above list.

```
For value received,                  hereby sell, assign and transfer unto
                    ----------------
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PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFICATION NUMBER OF ASSIGNEE

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|                                  |
|                                  |
 ----------------------------------------------------------------
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- --
PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE OF ASSIGNEE

- --

- --
Shares
- ---

of the Common Stock represented by the within Certificate and do hereby irrevocably constitute and appoint

----
Attorney
- ---

to transfer the said stock on the books of the within-named Corporation with full power of substitution in the premises.

Dated:

NOTICE: The signature(s) to this assignment must correspond with the name as written upon the face of the Certificate, in every particular, without alteration or enlargement or any change whatever.

X

X

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM) PURSUANT TO S.E.C. RULE 17 Ad.15.

This certificate also evidences and entitles the holder hereof to certain rights as set forth in a Rights Agreement between NCR Corporation and The First National Bank of Boston, dated as of December 31, 1996 (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of NCR Corporation. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by a separate certificate and will no longer be evidenced by this certificate. NCR Corporation will mail to the holder of this certificate a copy of the Rights Agreement without charge after receipt of a written request therefor. Under certain circumstances, as set forth in the Rights Agreement, Rights issued to any Person who becomes an Acquiring Person (as defined in the Rights Agreement) may become null and void.

EXHIBIT 10.14.1

FIRST AMENDMENT TO THE

NCR DIRECTOR COMPENSATION PROGRAM

AMENDMENT TO THE NCR DIRECTOR COMPENSATION PROGRAM (the "Program") as adopted effective January 1, 1997 by the Compensation Committee of the Board of Directors of NCR Corporation (the "Committee").

WHEREAS, the Committee adopted the Program effective January 1, 1997, pursuant to its authority under Section 4.2 of the NCR Management Stock Plan to determine the terms and conditions of grants and awards thereunder to participants; and

WHEREAS, the Committee desires to make certain changes to the Program;

NOW, THEREFORE, the Committee does hereby amend the Program, effective January 1, 1999, by replacing Section 2.4 Annual Option Grant in its entirety with the following:

> Annual Option Grant. At each annual shareholders' meeting of the Company, each individual then serving as a Director or newly elected as a Director shall receive a grant of nonqualified stock options under the Management Plan for a number of shares of Common Stock as determined by the Committee in its discretion, based on review of competitive data. The exercise price for each optioned share will be the Fair Market Value of one share of Common Stock on the grant date. The stock options will be fully vested and exercisable at grant, and will have a term of ten years from the date of grant.

EXHIBIT 10.14.2

SECOND AMENDMENT TO THE

NCR DIRECTOR COMPENSATION PROGRAM

AMENDMENT TO THE NCR DIRECTOR COMPENSATION PROGRAM (the "Plan") as adopted effective January 1, 1997.

WHEREAS, Section 6.4 of the Plan provides that the Compensation Committee of the Board of Directors of NCR Corporation may amend the Plan; and

WHEREAS, the Compensation Committee desires to make certain technical changes to the Plan terms;

NOW, THEREFORE, the Compensation Committee does hereby amend the Plan, effective as of the date of adoption of this amendment, as follows:

1. The following new Section 6.5 is hereby added at the end of Article VI:

Cash-Out of Small Benefits. If the value of a Director's Deferred Stock Award is less than $175,000 on the date of ceasing to serve as a Director, the former Director may submit a written request to the Compensation Committee for an immediate payment, stating the reasons for such request. The Compensation Committee in its sole discretion may determine that such a payment will or will not be made.

EXHIBIT 10.22

July 15, 1999

Mr. Lars Nyberg
Chairman and Chief Executive Officer
NCR Corporation

Dear Lars:

Your strong and effective leadership during the last four years has successfully changed NCR's direction, significantly improved its financial performance, and implemented an organizational framework to execute a new and viable strategic vision for the Company under the banner, "Transforming Transactions into Relationships." While important progress has been made, the next several years will be extremely important as the Company implements its new strategic vision worldwide. Your continued presence at NCR during these years and the leadership continuity you will provide will be critical to enhancing our operational effectiveness, strengthening our organization, building on our momentum, and maximizing shareholder value. In this context, the Board is confident that the balance and competitive position of your total compensation package, including base salary, annual incentive pay, benefits, and stock options (some of which were provided by AT&T) will provide substantial incentive to increase shareholder value. Therefore, the Board is pleased to renew your employment agreement with NCR as Chairman and Chief Executive Officer through May 31, 2002, with the following terms:

1. <u>Salary, Incentive Pay and Options.</u> Your 1999 base pay will be $1,000,000, paid to you in equal monthly amounts. In addition, your 1999 annual incentive award under the Management Incentive Plan for Executive Officers ("MIP") will pay 100% of your base pay if the target objectives are met, with a maximum potential award of 200% of base pay. Thus, if your MIP award is at target, your total annual pay for 1999 will be $2,000,000, and if a maximum MIP award is earned, your total annual cash compensation for 1999 will be $3,000,000. Your MIP award will be paid to you according to the MIP Plan. Your annual base salary and MIP objectives will be reviewed annually to determine whether they should be increased, based primarily on your performance during the year against your objectives and competitive benchmarking. Your management stock option grant will be determined each year by the Board, taking into account your performance and competitive market considerations, with an award opportunity of at least the 50th percentile of NCR's peer group.

2. <u>Benefits.</u> You will continue to participate in NCR benefit plans applicable to executive officers, which currently include the NCR Pension Plan, the Retirement Plan for Officers of NCR ("SERP II"), the NCR Savings Plan, the NCR Employee Stock Purchase Plan, and the Group Benefits Plan for Active Employees of NCR. Your split-dollar life insurance policies will continue in effect.

3. Change-in-Control Agreement. The Change-in-Control Agreement between you and NCR, effective January 1, 1997 (CIC Agreement), will remain in effect through May 31, 2002.

4. Severance. If your employment with NCR is terminated involuntarily, except for Cause (as defined in the CIC Agreement), or voluntarily, due to Good Reason (as defined in the CIC Agreement), and you are not entitled to benefits under the CIC Agreement, you will be entitled to receive the severance benefits described below, provided you execute a release of all employment-related claims against the Company. If your employment with NCR is terminated involuntarily, except for Cause, the Board shall notify you in writing of the Company's intent to terminate, at least thirty (30) calendar days prior to the effective date of such termination. If you receive severance benefits pursuant to this letter, you will not be eligible for benefits from the NCR Workforce Redeployment Plan.

The severance benefits consist of the following:

(a) The incentive pay under the MIP for the calendar year in which termination occurs, at the greater of target for the year of termination of employment, or the actual cash payment for the preceding calendar 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, except that if termination of employment occurs during 1999, the incentive pay under this subparagraph (a) will not be prorated, but will be paid in full for 1999.

(b) A lump sum payment equal to your annual base pay, as in effect on the date of termination of employment, that would be payable until the later of May 31, 2002, or the end of the two-year period beginning on the date of your termination of employment.

(c) A lump sum payment of two times the greater of (i) the target MIP award for the calendar year in which termination occurs, or (ii) the actual cash MIP award for the preceding calendar year.

(d) Continuation of the health care coverage for you and your eligible dependents in effect at your termination of employment, at the cost to you as paid by active employees, until the later of May 31, 2002, or the end of the two-year period beginning on the date of your termination of employment.

(e) At the company's expense, life insurance and accidental death and dismemberment coverage for you at two times base pay, until the later of May 31, 2002, or the end of the two-year period beginning on the date of your termination of employment.

(f) At the company's expense, continuation of executive financial counseling through the calendar year following the year in which your termination of employment occurs.

Cash severance benefits described above will be paid within five (5) working days of the effective termination date.

If you elect to voluntarily terminate your employment (other than for Good Reason as defined in the CIC Agreement), you will receive accrued but unpaid salary and bonus through the termination date, but not the severance benefits listed in this Paragraph 4. All rights with respect to your outstanding incentive awards, including annual and long-term incentives, and health, welfare, and retirement benefits will be governed by the applicable individual award agreements or company plan documents.

5. Non-Competition Agreement. By signing this Agreement, you agree that during your employment with NCR and for an eighteen (18) month period after termination of employment for any reason, you will not yourself or through others, without the prior written consent of the Compensation Committee, (i) become an employee, proprietor, partner, become a greater than 3 percent shareholder, principal or agent of, or a consultant or advisor to, any of NCR's direct, major competitors, or their subsidiaries or affiliates, including: IBM, Sequent, CSC, Unisys, Hewlett Packard (HP), Sun Microsystems, Oracle, Informix, Compaq, EDS, and Diebold; (ii) recruit, hire, solicit or induce, or attempt to induce, any exempt employee of NCR or its associated companies to terminate their employment with or otherwise cease their relationship with NCR; (iii) canvass or solicit business in any of the following product and service areas: point of sale systems, ATMs, check issuing, optical scanning and imaging systems, and scalable data warehousing with any then-current customer of NCR; or (iv) disclose to any third party any NCR confidential, technical, marketing, business, financial or other information not publicly available. If you breach any of the provisions of this Paragraph 5, NCR, in addition to its other remedies, will be released from all obligations it may have under Paragraph 4. The provisions of this Paragraph 5 will survive termination and expiration of this Agreement.

6. Agreement Term and Notice. The initial three (3) year period of this Agreement will expire May 31, 2002. Thereafter, this Agreement shall automatically renew for successive one year terms. It is understood, however, that either party may elect not to renew this Agreement for any reason at the end of the initial three (3) year period, or at the end of any successive year thereafter, by giving the other party written notice of intent not to renew, delivered at least ninety (90) calendar days prior to the end of the term. Absent an effective notice of an intent not to renew, all terms and conditions of this Agreement shall continue in force for the next term. In the event of an effective notice of intent not to renew, all terms and conditions of this Agreement will nevertheless continue in force until the earlier of (1) the execution of a successor agreement between you and company or (2) your termination of employment with NCR, provided that if your contract is not extended by the Board, you will be entitled to the severance benefits described in paragraph 4 as if you were terminated without Cause.

7. Arbitration. Any dispute or controversy arising in connection with this letter agreement will be settled exclusively by arbitration in Dayton, Ohio, in accordance with rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. All expenses of such arbitration, including the fees and expenses of your legal counsel, will be borne by NCR.

8. Governing Law. This Agreement and all determinations made and actions taken pursuant hereto to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Ohio in the courts of the State of Ohio and construed accordingly without giving effect to principles of conflicts of law.

9. Entire Agreement. This letter reflects the entire agreement regarding the terms and conditions of your continued employment with NCR. Accordingly, it supersedes and completely replaces any prior oral or written communication on this subject, except for your CIC Agreement, existing equity incentive grants, MIP and benefit programs described in Paragraph 2 above, and except that the following provisions of your prior letter agreements remain in effect: if you are involuntarily terminated from NCR other than for Cause, or you terminate for Good Reason, the following equity grants will continue to become exercisable or vest, as applicable, in accordance with their terms, as if you continued to be actively employed by NCR: (1) your special equity grant of 400,000 AT&T stock options (converted to 631,446 NCR options), granted September 25, 1995, and (2) your stock option grant with $5,000,000 face value, and restricted stock units with $5,000,000 face value, granted January 2, 1997, both of which vest on September 1, 1999.

The Board looks forward to continuing to work with you to make NCR the successful company we know it can be. Please indicate your acceptance of this letter by signing below.

Sincerely,

/s/ Ronald Mitsch

Dr. Ronald Mitsch
Chairman, Compensation Committee
Board of Directors, NCR Corporation

ACCEPTED AND AGREED:

/s/ Lars Nyberg
____
Lars Nyberg
Date: July 19, 1999

EXHIBIT 13

Financial Table of Contents

NCR CORPORATION
Selected Financial Data
Dollars in millions, except per share amounts

	Year Ended December 31				
	1999 1	1998 2	1997	1996	1995
Results of Operations					
Revenue 3	$ 6,196	$ 6,505	$ 6,589	$ 6,963	$ 8,162
Operating expenses 4					
Cost of revenue	4,312	4,583	4,715	4,997	7,316
Selling, general and administrative expenses	1,466	1,460	1,510	1,458	2,632
Research development expenses	340	360	383	378	585
Income (loss) from operations	78	102	(19)	130	(2,371)
Interest expense	12	13	15	56	90
Other income, net	(71)	(68)	(61)	(36)	(45)
Gain from significant asset dispositions 5	(98)	(55)	-	-	-
Income (loss) before income taxes	235	212	27	110	(2,416)
Income tax (benefit) expense	(102)	90	20	219	(136)
Net income (loss)	$ 337	$ 122	$ 7	$ (109)	$(2,280)
Net income (loss) per common share 6					
Basic	$ 3.45	$ 1.21	$ 0.07	$ (1.07)	$(22.49)
Diluted	$ 3.35	$ 1.20	$ 0.07	$ (1.07)	$(22.49)
Financial Position and Other Data					
Cash and short-term investments	$ 763	$ 514	$ 1,129	$ 1,203	$ 338
Accounts receivable, net	1,197	1,556	1,471	1,457	1,908
Inventories	299	384	489	439	621
Property, plant, equipment and reworkable service parts, net	1,002	1,104	1,106	1,207	1,215
Total assets	4,895	4,892	5,376	5,280	5,256
Debt	77	83	94	76	375
Stockholders' equity	$ 1,596	$ 1,447	$ 1,353	$ 1,396	$ 358
Cash dividends	-	-	-	-	-
Number of employees and contractors	32,800	33,100	38,300	38,600	41,100

/1/ Income from operations is shown after deducting $125 million related to restructuring and other related charges. (See Note 3 of Notes to Consolidated Financial Statements.) 1999 net income includes pre-tax amounts of $125 million of restructuring and other related charges, $98 million of gains from significant asset dispositions and $232 million of favorable impact from a tax valuation allowance release. (See footnote 5 below and Notes 3 and 4 of Notes to Consolidated Financial Statements.) Excluding these items, the 1999 income from operations, net income and net income per common share (diluted) would have been $203 million, $162 million and $1.61, respectively.

/2/ Income from operations is shown after deducting $50 million related to a non-recurring pension charge. (See Note 6 of Notes to Consolidated Financial Statements.) 1998 net income includes the non-recurring charge and the benefit of the non-recurring gain from asset disposition. (See footnote 5 below and Note 6 of Notes to Consolidated Financial Statements.) Excluding these items, the 1998 income from operations, net income and net income per common share (diluted) would have been $152 million, $119 million and $1.17 million, respectively.

/3/ The majority of the decrease in revenue for the year ended December 31, 1996 was due to our decision in September 1995 to discontinue selling personal computers and entry-level server products through high-volume indirect channels.

The decline in revenue from 1996 to 1999 is primarily attributable to our commodity hardware business.

/4/ Operating expenses include restructuring and other related charges of $125 million, $50 million, $(55) million and $1,649 million in 1999, 1998, 1996 and 1995, respectively. (See Notes 3 and 6 of Notes to Consolidated Financial Statements.)

/5/ Represents gains from significant asset dispositions, including facilities, in 1999 and TOP END(R) in 1998.

/6/ Net loss per share for the years ended December 31, 1996 and 1995 was calculated by dividing the net loss by 101.4 million shares of common stock. Effective December 31, 1996, AT&T Corp. distributed to its stockholders all of its interest in NCR on the basis of one share of NCR common stock for each 16 shares of AT&T Corp. common stock (the Distribution). The Distribution resulted in 101.4 million shares of NCR common stock outstanding as of December 31, 1996. Such shares are assumed to be outstanding since January 1, 1995.

Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

We provide solutions designed specifically to enable businesses to build, expand and enhance their relationships with their customers by facilitating transactions and transforming data from transactions into useful business information.

Through our presence at customer interaction points, such as self service (e.g., automated teller machines) or store automation (e.g., point-of-sale workstations), our solutions are designed to help businesses process consumer transactions. We also offer businesses the opportunity to centralize detailed information in a data warehouse, analyze the complex relationships among all of the different data elements and respond with programs designed to improve consumer acquisition, retention and profitability. We offer specific solutions for the retail and financial industries and also provide solutions for industries including telecommunications, transportation, insurance, utilities and electronic commerce as well as consumer goods manufacturers and government entities. Our solutions are built on our foundation of long-established industry knowledge and consulting expertise, value-adding software, global customer support services, a complete line of consumable and media products and a range of hardware technology.

RESTRUCTURING

During the fourth quarter of 1999, our management approved a restructuring plan designed to accelerate our transformation from a computer hardware and product company to a technology solutions and services provider. A pre-tax charge of $125 million was recorded in the fourth quarter of 1999 to provide for restructuring and other related charges as a result of our plan. The plan will lead to an alignment around three key solutions, an elimination of approximately 1,250 positions and an enhanced leverage of the investment in our Data Warehousing offering. The three key solutions that we will focus on as a result of our plan are Data Warehousing, Self Service and Store Automation. In targeted countries, we will be exiting certain of our commodity hardware businesses, such as entry-level and mid-range computer hardware, to the extent that it is sold through our non-core solutions, primarily Channel Delivery and Customer Interaction.

In total, the plan calls for approximately 1,250 employee separations, including approximately 1,000 separations in locations outside of the United States, and will include sales, infrastructure support and other positions. As of December 31, 1999, approximately 8% of the employee separations were completed.

The pre-tax charge of $125 million was comprised of restructuring and other related liabilities of $83 million, $35 million of related asset impairments and $7 million of related software and inventory write-downs. The following table presents a roll-forward of the liabilities incurred in connection with the 1999 business restructuring, which were all reflected as current liabilities in our consolidated balance sheet:

In millions	Balance Jan. 01, 1999	Additions	Utilizations	Balance Dec. 31, 1999
Type of Cost				
Employee separations	$ -	$ 76	$ (9)	$ 67
Facility closures	-	2	-	2
Contractual settlements and other exit costs	-	5	(1)	4
Total	$ -	$ 83	$ (10)	$ 73

In connection with the restructuring plan, we performed a review of our long-lived assets to identify potential impairments. As a result, we recorded a $35 million charge resulting from the abandonment or write-down of certain assets, including goodwill related to our networking products business. Additionally, we recorded $7 million of charges for the write-off of software licenses and inventory write-downs.

The total $125 million charge in the fourth quarter was recorded as $8 million cost of revenue and $117 million selling, general and administrative expenses. In addition to the $125 million charge recorded in the fourth quarter of 1999, we expect to incur approximately $55 million of additional costs throughout 2000, primarily related to settling customer obligations that were not complete as of December 31, 1999. These additional costs will be appropriately recognized as incurred or as settlements are reached.

In total, we expect the pre-tax charge of $125 million to result in cash outlays of $83 million and non-cash write-offs of $42 million. The cash outlays are primarily for employee separations, contract cancellations and settlement of customer obligations. As of December 31, 1999, a total of $10 million of the expected cash payments had been made with the balance expected to occur throughout 2000. Beginning in 2000, we anticipate annual savings of approximately $75 million as a result of our restructuring plan. The savings will primarily come from the elimination of losses in our non-core solutions that we are exiting as well as other cost savings related to employee separations within our infrastructure support organizations. We anticipate 75% of the total $75 million of savings to be recognized as a reduction in operating expenses with the balance being recognized as a reduction in cost of revenue. In addition, we anticipate an approximate $400 million revenue decline as a result of our decision to exit specific non-core solutions in certain geographic areas which will impact our ability to show overall revenue growth in the year 2000. Execution of our plan is anticipated to be substantially complete by the third quarter of 2000 and will be funded through working capital and proceeds from sales of facilities and non-core solutions.

REVENUE AND OPERATING MARGIN BY INDUSTRY SEGMENT

In 1999, we categorized our operations into four strategic operating segments: Retail, Financial, Teradata Solutions Group (TSG) (formerly named National Accounts Solutions Group) and Systemedia. The Retail, Financial and TSG segments offer a variety of solutions to our customers that incorporate point-of-sale workstations, automated teller machines (ATMs), scalable data warehousing, Teradata(R) and applications software, a variety of other information technologies, professional consulting and customer support services. Customer support services complement the solutions we offer as they support high availability technology environments such as those where our solutions are utilized. Customer support services include maintenance services, staging and implementation services, networking, multi-vendor integration services, consulting services, industry-specific support services and outsourcing solutions. Our ''All other segments'' accumulates the results of operations not attributable to the above operating segments, plus unallocated corporate expenses. (See Note 10 of Notes to Consolidated Financial Statements.) As a result of the 1999 restructuring program, we will be changing our definition of strategic operating segments and our associated reporting framework for 2000. The new reporting segments in 2000 will be Store Automation, Self Service, Data Warehousing, Systemedia and Other. All of these segments will include hardware, software, professional consulting and customer support services.

For the years ended December 31, the effects of restructuring and other related charges have been excluded from the gross margin, operating expenses and operating income amounts presented and discussed below. (See Notes 3 and 6 of Notes to Consolidated Financial Statements.)

In millions	1999	1998	1997
Consolidated revenue	$6,196	$6,505	$6,589
Consolidated gross margin 1	1,892	1,922	1,874
Consolidated operating expenses:			
Selling, general and administrative expenses 2	1,349	1,410	1,510
Research and development	340	360	383
Consolidated income (loss) from operations	$ 203	$ 152	$ (19)

/1/ Consolidated gross margin excludes the impact of $8 million of restructuring and other related charges in 1999, which is the portion of the total $125 million restructuring and other related charges that was recorded in cost of revenue.

/2/ Consolidated operating expenses exclude the impact of $117 million of restructuring and other related charges in 1999, which is the portion of the total $125 million restructuring and other related charges that was recorded in selling, general and administrative expenses, and excludes the impact of a $50 million non-recurring pension charge in 1998.

Total revenue decreased 5% in 1999 compared to 1998. When adjusted for the impacts of year-to-year changes in foreign currency exchange rates, the revenue decrease remains at 5%. The decline in 1999 revenue reflects increased sales in our Retail industry segment offset by declines in all of our other industry segments. These declines are primarily due to declines in our non-core solutions, which include commodity hardware. Across all segments, aggregate revenues in 1999 decreased from the prior year 11% in Japan and 5% in each of the Americas and Europe/Middle East/Africa regions. These declines over prior year were partially offset by a 13% increase in the Asia/Pacific region. The increase in income from operations in 1999 reflects continued improvement in gross margin as a percentage of revenue primarily due to improvements in data warehousing, professional consulting and customer support services margins and a reduction in operating expenses.

Total revenue decreased 1% in 1998 compared to 1997. When adjusted for the unfavorable impacts of year-to-year changes in foreign currency exchange rates, revenue increased 1%. The decline in 1998 revenue reflected increased sales in the Retail, Financial and Systemedia industry segments, which were more than offset by declines in TSG and our "All other segments". The significant increase in income from operations in 1998 was due to improved gross margin and tighter expense controls.

The following chart presents our revenue by industry segment for the year ended December 31, 1999:

[1999 REVENUE BY INDUSTRY GRAPHIC APPEARS HERE]

Retail Industry Solutions

Our retail industry solutions are designed to improve customer service and operating efficiency. These solutions bring together our industry expertise, professional consulting services, software, hardware and strategic alliances to build integrated solutions that improve retail customers' business results. Offerings for the retail industry are grouped into two solution portfolios: Store Automation and Retail Data Warehousing.

Store Automation solutions are designed to improve service levels and operating efficiency for retailers. Solutions may include point-of-sale terminals, barcode scanners, scanner-scales, electronic shelf labeling, kiosks/Web kiosks, applications software and other hardware and software utilized in merchandise checkout areas, along with professional consulting and customer support services.

Retail Data Warehousing solutions enable retailers to use information gathered from customer transactions to analyze and manage every outlet, product and consumer relationship, individually.

The following table presents our Retail industry revenue and total operating margin for the years ended December 31:

In millions	1999	1998	1997
Retail industry revenue	$1,558	$1,447	$1,373
Retail industry operating margin	$ 32	$ (25)	$ (62)

Retail industry revenues, including the solutions described above, increased 8% in 1999 compared to 1998 primarily due to growth in Retail Data Warehousing in the Americas and Japan and growth in Store Automation in all regions. The substantial operating margin increase in 1999 was driven by sales growth, significant improvement in gross margin, especially in maintenance and professional consulting services, and continued focus on expense reduction in both Retail Data Warehousing and Store Automation. In 1998, revenues increased 5% compared to 1997 due to growth in the Retail Data Warehousing and Store Automation solutions in both the Americas and Europe/Middle East/Africa regions. The operating margin improvement in 1998 was driven by sales growth, improvement in gross margin, particularly in Store Automation products, and expense reductions.

Financial Industry Solutions

Our financial industry solutions are designed to help the financial services industry process consumer transactions, with particular focus on retail banking. These offerings include four solution portfolios: Self Service, Financial Data Warehousing, Payment and Imaging and Channel Delivery.

The Self Service solutions offer a complete range of self service consumer interaction points. These Self Service solutions are principally ATMs, including specialized models that dispense customized information and non-cash items such as tickets and coupons, along with professional consulting and customer support services. We incorporate biometrics technology, such as iris-scanning customer identification, in some offerings.

Financial Data Warehousing solutions enable financial services institutions to transform data about consumer behavior into information that can be used to change the way financial businesses interact with those consumers.

Payment and Imaging solutions include item-processing devices that read and sort checks and other paper items, image-processing devices that convert checks and other paper items into electronic images, outsourced management of item-image processing facilities, professional consulting and customer support services and products and services related to emerging methods of payment.

Channel Delivery solutions are designed to help banks reach customers through new channels and include products and professional consulting and customer support services related to bank branch automation, call centers, home banking, switching and account processing.

The following table presents our Financial industry revenue and total operating margin for the years ended December 31:

In millions	1999	1998	1997
Financial industry revenue	$2,568	$2,888	$2,845
Financial industry operating margin	$ 100	$ 178	$ 151

Financial industry revenues, including the solutions described above, decreased 11% in 1999 compared to 1998 primarily due to declines in Channel Delivery and Payment and Imaging solutions in all regions and declines in Financial Data Warehousing in the Americas. The substantial operating margin decrease in 1999 was driven by lower sales and gross margin primarily in our Channel Delivery and Financial Data Warehousing solutions. In 1998, revenues rose 2% compared to 1997 as increases in sales of Self Service solutions, principally from off-premise automated teller machines in the Americas and Europe/Middle East/Africa regions, offset sales declines in Japan and the Asia/Pacific region, primarily in Korea and Australia. The operating margin improvement in 1998 was driven by sales growth and improvement in gross margin due to product mix partially offset by expense increases.

Teradata Solutions

Our Teradata Solutions Group provides Data Warehousing and other solutions to interface with customers through new channels. The customer base primarily includes industries such as telecommunications, transportation, insurance, utilities and electronic commerce as well as consumer goods manufacturers and government entities. These solutions integrate software, hardware, professional consulting services, customer support services and products from leading technology firms that partner with us to meet customer needs. These solutions are grouped primarily into two portfolios: National Accounts Data Warehousing and Customer Interaction.

National Accounts Data Warehousing solutions help companies profitably increase revenue by using data warehousing capabilities to gain insight into consumers' activities and choices, asset use, operations and financial results.

Customer Interaction solutions are designed for all types of customer interfaces, including call centers, Web interaction and kiosks.

The following table presents our TSG industry revenue and total operating margin for the years ended December 31:

In millions	1999	1998	1997
TSG industry revenue	$1,485	$1,497	$1,562
TSG industry operating margin	$ 46	$ (42)	$ (113)

TSG revenues, including the solutions described above, decreased 1% in 1999 1997 was driven by a revenue mix shift towards high-end products primarily in the National Accounts Data Warehousing solutions and professional services, as well as by operating expense reductions.

Systemedia

Systemedia develops, produces and markets a complete line of business consumables to complement our solutions for the retail, financial and other industries. These products include paper rolls, paper products and imaging supplies for ink jet, laser, impact and thermal-transfer printers. In addition, Systemedia develops Automatic Identification solutions that bring together barcode labels, ribbons, software and printers to meet the product marketing and distribution requirements of manufacturers and retailers.

The following table presents Systemedia industry revenue and total operating margin for the years ended December 31:

In millions	1999	1998	1997
Systemedia industry revenue	$ 506	$ 515	$ 510
Systemedia industry operating margin	$ 25	$ 35	$ 43

Systemedia industry revenues decreased 2% in 1999 compared to 1998 primarily due to our decision to exit sales in certain countries and specific low-margin business within the indirect channel in the Europe/Middle East/Africa region, partially offset by revenue increases in Japan. Operating margin declined $10 million in 1999 primarily due to increases in operating expenses in the Americas region and Japan. In 1998, revenue increased slightly, mainly in the Americas and Europe/Middle East/Africa regions primarily due to increased sales of custom printed paper rolls, laser supplies and ink jet cartridges. Operating margin decreased by $8 million in 1998 due to continued declines in paper pricing that were only partially offset by expense reductions.

GROSS MARGIN

Gross margin as a percentage of revenue increased 1.0 percentage point in 1999, compared to an increase of 1.1 percentage points in 1998. The gross margin increase in 1999 consisted of a 1.5 percentage point increase in product gross margin and a 1.1 percentage point increase in services gross margin. Product gross margin in 1999 reflected favorable sales mix which included increased sales of higher-margin products within our Data Warehousing solutions and decreased sales of lower-margin products within our non-core solutions. The improvement in services gross margin was driven by strong margin improvements in our professional consulting services and transactional support services. Gross margin as a percentage of revenue increased 1.1 percentage points in 1998, compared to a decrease of 0.9 percentage points in 1997. The gross margin increase in 1998 consisted of a 2.8 percentage point increase in product gross margin and a 1.0 percentage point decrease in services gross margin. During 1998, we implemented certain initiatives, such as the outsourcing of the manufacture of our retail and computer products to Solectron Corporation (Solectron), which contributed to gross margin percentage improvements in the Store Automation and Data Warehousing solutions.

OPERATING EXPENSES

Selling, general and administrative expenses decreased $61 million or 4% in 1999, compared with a decrease of $100 million or 7% in 1998. The decreases in both 1999 and 1998 were primarily due to our continued focus on expense discipline; standardization of financial reporting, invoicing, logistics and order processing; and employee reductions. As a percentage of revenue, selling, general and administrative expenses were 21.8%, 21.7% and 22.9% in 1999, 1998 and 1997, respectively.

Research and development expenses decreased $20 million or 6% in 1999, compared with a decrease of $23 million or 6% in 1998. This decrease was primarily due to reductions in commodity hardware-related research and development and a more synergistic focus on our core solution spending as we transform into a solutions and services company.

INCOME BEFORE INCOME TAXES

We had operating income of $203 million in 1999, operating income of $152 million in 1998 and an operating loss of $19 million in 1997.

Interest expense was $12 million in 1999, $13 million in 1998 and $15 million in 1997. Other income, net, was $169 million in 1999, $123 million in 1998 and $61 million in 1997. Other income in 1999 includes $98 million in licensing of certain technologies whereby we recognized $17 million of other income in each of 1999 and 1998. Other income also includes interest income of $26 million in 1999, $44 million in 1998 and $52 million in 1997. The trend reflects lower average cash balances throughout the years due to the share repurchase programs in 1999 and 1998.

INCOME TAX

Income tax (benefit)/expense was $(102) million in 1999, $90 million in 1998 and $20 million in 1997. The 1999 income tax benefit was due primarily to the $232 million reduction in the Company's U.S. deferred tax valuation allowance as a result of the U.S. operations achieving sustained profitability. Excluding the impact of this item and the restructuring and other related charges, the effective tax rate improved to 38% in 1999 from 42.5% in 1998 and 74.1% in 1997. The change in effective tax rate is primarily due to improved profitability in certain tax jurisdictions, principally the United States.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Our cash, cash equivalents and short-term investments totaled $763 million at December 31, 1999, compared with $514 million at December 31, 1998 and $1,129 million at December 31, 1997. The increase in 1999 was due to improved operating results combined with our focus on reducing receivables, inventories and capital deployed in the business. The $269 million expended for the stock purchase program in 1999 was offset by proceeds from the sales of significant facilities. The decrease in 1998 was primarily due to our acquisition of an additional 27% ownership interest in our Japanese subsidiary at a cost of $274 million and $200 million expended for the stock repurchase program.

We generated cash from operations of $607 million in 1999, used cash in operations of $79 million in 1998 and generated $287 million in 1997. The cash generated in operations in 1999 was driven primarily by improved operating results, asset management and the timing of disbursements for employee severance and pension amounts. Receivable balances decreased $359 million in 1999 compared to an increase of $85 million in 1998. Inventory balances decreased $85 million in 1999 compared to a decrease of $15 million in 1998. The use of cash in 1998 reflected an increase in accounts receivable which was primarily due to increased revenue during the fourth quarter of 1998 compared with the fourth quarter of 1997. In addition, the use of cash in operations in 1998 included a decline in other operating liabilities due to the timing of increased postemployment and postretirement benefit payments. In addition, 1998 operating activities included a $55 million gain on the sale of TOP END. The 1997 cash flow from operations included increases in accounts receivable and inventories associated with normal business activities and cash utilized for payment of restructuring activities of $82 million.

Net cash used in investing activities was $326 million, $186 million and $563 million in 1999, 1998 and 1997, respectively. Investing activities primarily represent purchases of short-term investments and capital expenditures. Capital expenditures generally relate to expenditures for information systems, reworkable parts used to service customer equipment, equipment and facilities used in manufacturing and research and development and facilities to support sales and marketing activities. In 1999, we purchased net short-term investments of $165 million compared to a net investment reduction of $217 million in 1998. The increase in 1999 reflects the improvement in operating results and asset management as well as $168 million in proceeds from the sales of significant facilities. In 1998, the cash used in investing reflects the purchase of the minority interest in our Japanese subsidiary for $274 million. This use of cash was partially offset by proceeds from the sale of TOP END and the sale of our retail and computer products manufacturing operations to Solectron. Capital expenditures, a historically significant component of investing activities, were $355 million, $345 million and $348 million for the years ended 1999, 1998 and 1997, respectively.

Net cash used in financing activities was $194 million in 1999 and $154 million in 1998. Net cash provided by financing activities was $62 million in 1997. In April and October 1999, we approved share repurchase programs which resulted in the use of $269 million of cash in 1999. In 1998, a separate share repurchase program resulted in the use of $200 million of cash.

In 1996, we entered into a five-year, unsecured revolving credit facility with a syndicate of commercial banks and financial institutions. The credit facility provides that we may borrow from time to time on a revolving credit basis an aggregate principal amount of up to $600 million. We expect to be able to use the available funds at any time for capital expenditure needs, repayment of existing debt obligations, working capital and general corporate purposes. The credit facility matures in 2001 and contains certain representations and warranties, conditions, affirmative, negative and financial covenants and events of default customary for such a facility. Interest rates charged on borrowings outstanding under the credit facility are based on market rates. In addition, a portion of the credit facility is available for the issuance of letters of credit as we require. No amounts were outstanding under the facility as of December 31, 1999, 1998 or 1997.

We believe that cash flows from operations, the credit facility and other short- and long-term debt financings, if any, will be sufficient to satisfy our future working capital, research and development, capital expenditures and other financing requirements for the foreseeable future.

FACTORS THAT MAY AFFECT FUTURE RESULTS

This annual report and other documents that we file with the Securities and Exchange Commission, as well as other oral or written statements we may make, contain information based on management's beliefs and include forward-looking statements that involve a number of risks, uncertainties and assumptions. These forward-looking statements are not guarantees of future performance, and there are a number of factors, including those listed below, which could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements.

Competition

Our ability to compete effectively within the technology industry is critical to our future success.

We compete in the intensely competitive information technology industry. This industry is characterized by rapidly changing technology, evolving industry standards, frequent new product introductions, price and cost reductions, and increasingly greater commoditization of products, making differentiation difficult. In addition, this intense competition increases pressure on gross margins which could impact our business and operating results. Our competitors include other large, successful companies in the technology industry such as: International Business Machines (IBM), Wincor Nixdorf Gmbh & Co., Unisys Corporation, Diebold, Inc., and Oracle Corporation, some of which have widespread penetration of their platforms. If we are unable to compete successfully, the demand for our solutions, including products and services, would decrease. Any reduction in demand could lead to fewer customer orders, a decrease in the prices of our products and services, reduced revenues, reduced margins, operating inefficiencies, reduced levels of profitability, and loss of market share. These competitive pressures could impact our business and operating results.

Our future competitive performance depends on a number of factors, including our ability to: rapidly and continually design, develop and market, or otherwise obtain and introduce solutions and related products and services for our customers that are competitive in the marketplace; offer a wide range of solutions from small electronic shelf labels to very large enterprise data warehouses; offer solutions to customers that operate effectively within a computing environment which includes the integration of hardware and software from multiple vendors; offer products that are reliable and that ensure the security of data and information; offer high-quality, high availability services; market and sell all of our solutions effectively, including the successful execution of our new marketing campaign.

New Solutions Introductions
The solutions we sell are very complex, and we need to rapidly and successfully develop and introduce new solutions.

We operate in a very competitive, rapidly changing environment, and our future success depends on our ability to develop and introduce new solutions that our customers choose to buy. If we are unable to develop new solutions, our business and operating results would be impacted. This includes our efforts to rapidly develop and introduce data warehousing software applications. The development process for our complex solutions, including our software application development programs, requires high levels of innovation from both our developers and our suppliers of the components embedded in our solutions. In addition, the development process can be lengthy and costly. It requires us to commit a significant amount of resources to bring our business solutions to market. If we are unable to anticipate our customers' needs and technological trends accurately, or are otherwise unable to complete development efficiently, we would be unable to introduce new solutions into the market on a timely basis, if at all, and our business and operating results would be impacted. In addition, if we were unable to successfully market and sell both existing and newly developed solutions, our operating results would be impacted.

Our solutions which contain both hardware and software products may contain known as well as undetected errors which may be found after the products' introduction and shipment. While we attempt to fix errors that we believe would be considered critical by our customers prior to shipment, we may not be able to detect or fix all such errors, and this could result in lost revenues, delays in customer acceptance, and incremental costs which would all impact our operating results.

Reliance on Third Parties
Third party suppliers provide important elements to our solutions.

We rely on many suppliers for necessary parts and components to complete our solutions. In most cases, there are a number of vendors producing the parts and components that we utilize. However, there are some components that are purchased from single sources due to price, quality, technology or other reasons. For example, we depend on chips and microprocessors from Intel Corporation and operating systems from UNIX(R) and Microsoft Windows NT(R). Certain parts and components used in the manufacture of our ATMs and the delivery of some of our Store Automation solutions are also supplied by single sources. If we were unable to purchase the necessary parts and components from a particular vendor and we had to find an alternative supplier for such parts and components, our new and existing product shipments and solutions deliveries could be delayed, impacting our business and operating results.

We have, from time to time, formed alliances with third parties (such as the outsourcing arrangements with Solectron to manufacture hardware) that have complementary products, services and skills. These alliances introduce risks that we can not control such as non-performance by third parties and difficulties with or delays in integrating elements provided by third parties into our solutions. The failure of third parties to provide high quality products or services that conform to the required specifications could impair the delivery of our solutions on a timely basis and impact our business and operating results.

Acquisitions and Alliances
Our ability to successfully integrate acquisitions or effectively manage alliance activities will help drive future growth.

As part of our overall solutions strategy, we intend to continue to make investments in companies, products, services and technologies, either through acquisitions, joint ventures or strategic alliances. Acquisitions and alliance activities inherently involve risks. The risks we may encounter include those associated with assimilating and integrating different business operations, corporate cultures, personnel, infrastructures and technologies or products acquired or licensed, retaining key employees, and the potential for unknown liabilities within the acquired or combined business. The investment or alliance may also disrupt our ongoing business or we may not be able to successfully incorporate acquired products, services or technologies into our solutions and maintain quality. Business acquisitions typically result in intangible assets being recorded and amortized in future years. Future operating results could be impacted if our acquisitions do not generate profitable results in excess of the related amortization expense.

Operating Result Fluctuations
We expect our quarterly revenues and operating results to fluctuate for a number of reasons.

Future operating results will continue to be subject to quarterly fluctuations based on a variety of factors, including:

Seasonality. Our sales are historically seasonal, with revenue higher in the fourth quarter of each year. During the three quarters ending in March, June and September, we have historically experienced less favorable results than in the quarter ending in December. Such seasonality also causes our 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, revenue in the third month of each quarter is typically higher than in the first and second months. These factors, among other things, make forecasting more difficult and may adversely affect our ability to predict financial results accurately.

Acquisitions and Alliances. As part of our solutions strategy, we intend to continue to acquire technologies, products and businesses as well as form strategic alliances and joint ventures. As these activities take place and we begin to include the financial results related to these investments, our operating results will fluctuate. For example, the acquisition of Gasper Corporation will result in incremental revenue, margin and operating expenses for our Self Service solution.

Multi-National Operations
Continuing to generate substantial revenues from our multi-national operations helps to balance our risks and meet our strategic goals.

Currently, approximately 57% of our revenues come from our international operations. We believe that our geographic diversity may help to mitigate some risks associated with geographic concentrations of operations (e.g., adverse changes in foreign currency exchange rates or business disruptions due to economic or political uncertainties). However, our ability to sell our solutions internationally is subject to the following risks, among others: general economic and political conditions in each country which could adversely affect demand for our solutions in these markets, as recently occurred in certain Asian markets; currency exchange rate fluctuations which could result in lower demand for our products as well as generate currency translation losses; currency changes such as the "Euro" introduction which could affect cross border competition, pricing, and require modifications to our offerings to accommodate the changeover; changes to and compliance with a variety of local laws and regulations which may increase our cost of doing business in these markets or otherwise prevent us from effectively competing in these markets.

Restructuring
Successfully completing our restructuring activities is important as it is designed to improve our focus and overall profitability.

As we have discussed above, we plan to grow revenue and earnings through the realignment of our businesses into three key solutions: Self Service, Store Automation and Data Warehousing. Our success with these restructuring activities depends on a number of factors including our ability to: execute strategies in various markets, including electronic commerce and other new industries beyond our traditional focus; exit certain businesses as planned; profitably replace the lost revenues; and manage issues that may arise in connection with the restructuring such as gaps in short-term performance, diversion of management focus and employee morale and retention. In particular, our business plan includes leveraging the Teradata technology in electronic commerce and other industries. If we are not successful in managing the required changes to achieve this realignment, our business and operating results could be impacted.

Employees
Hiring and retaining highly qualified employees helps us to achieve our business objectives.

Our employees are vital to our success, and our ability to attract and retain highly skilled technical, sales, consulting and other key personnel is critical as these key employees are difficult to replace. The expansion of high technology companies has increased demand and competition for qualified personnel. If we are not able to attract or retain highly qualified employees in the future, our business and operating results could be impacted.

Intellectual Property
As a technology company, our intellectual property portfolio is key to our future success.

Our intellectual property portfolio is a key component of our ability to be a leading technology and services solutions provider. To that end, we aggressively protect and work to enhance our proprietary rights in our intellectual property through patent, copyright, trademark and trade secret laws and if our efforts fail, our business could be impacted. In addition, many of our offerings rely on technologies developed by others and if we were not able to continue to obtain licenses for such technologies, our business would be impacted. Moreover, from time to time, we receive notices from third parties regarding patent and other intellectual property claims. Whether such claims are with or without merit, they may require significant resources to defend and, if an infringement claim is successful, in the event we are unable to license the infringed technology or to substitute similar non-infringing technology, our business could be adversely affected.

Environmental
Our historical and ongoing manufacturing activities subject us to environmental exposures.

We have been identified as a potentially responsible party in connection with the Fox River matter as further described in "Environmental Matters" under Note 11 of the Notes to Consolidated Financial Statements on page 78 of this annual report and we incorporate such discussion in this Management's Discussion and Analysis of Financial Condition and Results of Operations by reference and make it a part of this risk factor.

Contingencies
Like other technology companies, we face uncertainties with regard to regulations, lawsuits and other related matters.

We are subject to regulations, proceedings, lawsuits, claims and other matters, including those that relate to the environment, health and safety and intellectual property. Such matters are subject to the resolution of many uncertainties; thus, outcomes are not predictable with assurance. While we believe that amounts provided in our 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.

Year 2000
Our readiness and the readiness of our customers and business partners to be able to handle Year 2000 dates is critical to maintaining a stable business environment.

Please note that the following is a Year 2000 Readiness Disclosure, as that term is defined in the Year 2000 Information and Readiness Disclosure Act (105 P.L.271).

We completed our Year 2000 preparations as planned, and monitored the year-end rollover both with respect to our internal infrastructure and from a customer support perspective. There were no significant issues identified during the Year 2000 rollover; while a small number of minor issues did arise with customers, these were quickly addressed. Moreover, the majority of these issues did not involve an inability to recognize or process date data in the Year 2000, but rather other matters that coincided with the rollover. There were no reports of widespread product failures or shutdowns or of degraded performance. With respect to internal infrastructure systems, there were no interruptions to our operations, and planned testing of our critical applications following the rollover were completed without any significant issues. In addition, no supplier problems due to Year 2000 concerns have been identified.

The costs that we have incurred in addressing Year 2000 matters continue to be difficult to measure with precision due to, among other things, the large number of our employees and contractors who spent at least a portion of their time on Year 2000 issues, the concurrent remediation of both Year 2000 and non-Year 2000 issues in internal systems, upgrades that would have occurred in any event, and the risks listed below. In light of these factors, we estimate that our total Year 2000 costs, including those incurred from 1997 through 1999, were nearly $200 million.

The risks associated with Year 2000 issues can be difficult to identify or predict for a number of reasons. These include, among others: the complexity of testing inter-connected products, operating environments, networks and applications, including those developed and/or sold by third parties; the difficulty of simulating and testing for all possible variables and outcomes associated with critical dates in 1999 and 2000; the reliability of test results obtained in a laboratory environment against actual occurrences in a live production environment; and the possibility that problems or insidious data loss may not occur or be evident until a number of points in the future, such as the ends of future months, quarters and years. In addition, as a vendor of technology products and services, we could face other uncertainties such as the risk that our products, including those of companies we have recently acquired, may contain undetected errors or defects, or we may have been unable to identify and notify all affected customers. No legal claims pertaining to Year 2000 issues have been asserted against us, although we are aware that claims are pending against other technology vendors. Moreover, for the reasons discussed above, among others, we are unable to determine whether claims are likely to be filed against us in the future.

DERIVATIVE FINANCIAL INSTRUMENTS AND MARKET RISK

We are exposed to market risk, including changes in foreign currency exchange rates and interest rates. We use a variety of measures to monitor and manage these risks, including derivative financial instruments. Since a substantial portion of our operations and revenue occur outside the United States, our results can be significantly impacted by changes in foreign currency exchange rates. To manage our exposures to changes in currency exchange rates, we enter into various derivative financial instruments such as forward contracts and options. These instruments generally mature within twelve months. At inception, the derivative instruments are designated as hedges of inventory purchases and sales and of certain financing transactions which are firmly committed or forecasted. Gains and losses on qualifying hedged transactions are deferred and recognized in the determination of income when the underlying transactions are realized, canceled or otherwise terminated. When hedging certain foreign currency transactions of a long-term investment nature, gains and losses are recorded in the currency translation adjustment component of stockholders' equity. Gains and losses on other foreign exchange contracts are generally recognized currently in other income or expense as exchange rates change.

For purposes of potential risk analysis, we use sensitivity analysis to determine the impacts that market risk exposures may have on the fair values of our hedge portfolio related to anticipated transactions. The foreign currency exchange risk is computed based on the market value of future cash flows as impacted by the changes in the rates attributable to the market risk being measured. The sensitivity analysis represents the hypothetical changes in value of the hedge position and does not reflect the opposite gain or loss on the forecasted underlying transaction. The results of the foreign currency exchange rate sensitivity analysis at December 31, 1999 and 1998 were: a 10% movement in the levels of foreign currency exchange rates against the U.S. dollar with all other variables held constant would result in a decrease in the fair values of our financial instruments by $2 million and $13 million, respectively, or an increase in fair values of our financial instruments by $22 million and $26 million, respectively.

The interest rate risk associated with our borrowing and investing activities at December 31, 1999 is not material in relation to our consolidated financial position, results of operations or cash flows. We do not generally use derivative financial instruments to alter the interest rate characteristics of our investment holdings or debt instruments.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 1999, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities" which delayed the effective date of Statement of Financial Accounting Standards No. 133 (SFAS 133), "Accounting for Derivative Instruments and Hedging Activities" for one year. SFAS 133 provides guidance for the recognition and measurement of derivatives and hedging activities. It requires an entity to record, at fair value, all derivatives as either assets or liabilities in the balance sheet, and it establishes specific accounting rules for certain types of hedges. SFAS 133 is now effective for fiscal years beginning after June 15, 2000. We will adopt this standard when required, if not earlier. The impact, if any, of adopting SFAS 133 on our consolidated financial position, results of operations and cash flows, has not been finalized.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin 101 (SAB 101), "Revenue Recognition in Financial Statements", which provides guidance on applying generally accepted accounting principles for recognizing revenue. SAB 101 is effective for fiscal years beginning after December 15, 1999. The impact, if any, of adopting SAB 101 in the first quarter of 2000 on our consolidated financial position, results of operations and cash flows, has not been determined.

Report of Management

We are responsible for the preparation, integrity and objectivity of our consolidated financial statements and other financial information presented in our Annual Report. The accompanying consolidated financial statements were prepared in accordance with generally accepted accounting principles and include certain amounts based on currently available information and our judgment of current conditions and circumstances.

We maintain an internal control structure designed to provide reasonable assurance, at reasonable cost, that our assets are safeguarded, and that transactions are properly authorized, executed, recorded and reported. This structure is supported by the selection and training of qualified personnel, by the proper delegation of authority and division of responsibility, and through dissemination of written policies and procedures. An ongoing program of internal audits and operational reviews assists us in monitoring the effectiveness of these controls, policies and procedures. The accounting systems and related other controls are modified and improved in response to changes in business conditions and operations, and recommendations made by our independent accountants and internal auditors.

PricewaterhouseCoopers LLP, independent accountants, are engaged to perform audits of our consolidated financial statements. These audits are performed in accordance with generally accepted auditing standards, which include the consideration of our internal control structure.

The Audit and Finance Committee of the Board of Directors, consisting entirely of independent directors who are not employees of NCR, monitors our accounting, reporting and internal control structure. Our independent accountants, internal auditors and management have complete and free access to the Audit and Finance Committee, which periodically meets directly with each group to ensure that their respective duties are being properly discharged.

LOGO
Lars Nyberg
Chairman of the Board and
Chief Executive Officer

LOGO
David Bearman
Senior Vice President and
Chief Financial Officer

Report of Independent Accountants
To the Board of Directors and
Stockholders of NCR Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of changes in stockholders' equity and of cash flows present fairly, in all material respects, the financial position of NCR Corporation and its subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of NCR Corporation's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

LOGO
Dayton, Ohio
February 8, 2000

NCR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

In millions, except per share amounts

	Year Ended December 31		
	1999	1998	1997
Revenue			
Products	$3,289	$3,641	$3,709
Services	2,907	2,864	2,880
Total Revenue	6,196	6,505	6,589
Operating Expenses			
Cost of products	2,109	2,380	2,528
Cost of services	2,203	2,203	2,187
Selling, general and administrative expenses	1,466	1,460	1,510
Research and development expenses	340	360	383
Total Operating Expenses	6,118	6,403	6,608
Income (Loss) from Operations	78	102	(19)
Interest expense	12	13	15
Other income, net	(169)	(123)	(61)
Income Before Income Taxes	235	212	27
Income tax (benefit)/expense	(102)	90	20
Net Income	$ 337	$ 122	$ 7
Net Income per Common Share			
Basic	$ 3.45	$ 1.21	$ 0.07
Diluted	$ 3.35	$ 1.20	$ 0.07
Weighted Average Common Shares Outstanding			
Basic	97.6	101.0	102.0
Diluted	100.6	102.1	102.0

The Notes on pages 56 through 81 are an integral part of the consolidated financial statements.

NCR CORPORATION
CONSOLIDATED BALANCE SHEETS

In millions, except per share amounts

	At December 31 1999	At December 31 1998
Assets		
Current assets		
Cash, cash equivalents and short-term investments	$ 763	$ 514
Accounts receivable, net	1,197	1,556
Inventories	299	384
Other current assets	282	178
Total Current Assets	2,541	2,632
Reworkable service parts, net	209	232
Property, plant and equipment, net	793	872
Other assets	1,352	1,156
Total Assets	$4,895	$4,892
Liabilities and Stockholders' Equity		
Current liabilities		
Short-term borrowings	$ 37	$ 50
Accounts payable	378	376
Payroll and benefits liabilities	247	303
Customer deposits and deferred service revenue	365	352
Other current liabilities	635	619
Total Current Liabilities	1,662	1,700
Long-term debt	40	33
Pension and indemnity liabilities	342	420
Postretirement and postemployment benefits liabilities	570	655
Other liabilities	623	593
Minority interests	49	44
Total Liabilities	3,286	3,445
Put Options	13	-
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock: par value $0.01 per share, 100.0 shares authorized, no shares issued and outstanding at December 31, 1999 and 1998	-	-
Common stock: par value $0.01 per share, 500.0 shares authorized, 93.6 and 98.7 shares issued and outstanding at December 31, 1999 and 1998, respectively	1	1
Paid-in capital	1,081	1,295
Retained earnings	466	129
Accumulated other comprehensive income	48	22
Total Stockholders' Equity	1,596	1,447
Total Liabilities and Stockholders' Equity	$4,895	$4,892

The Notes on pages 56 through 81 are an integral part of the consolidated financial statements.

NCR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

In millions

	Year Ended December 31		
	1999	1998	1997
Operating Activities			
Net income	$ 337	$ 122	$ 7
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	358	364	383
Deferred income taxes	(187)	54	13
Net (gain) loss on sales of assets	(107)	(47)	4
Changes in operating assets and liabilities:			
Receivables	359	(85)	(14)
Inventories	85	15	(50)
Current payables	(41)	(53)	49
Deferred revenue and customer deposits	13	4	-
Timing of disbursements for employee severance and pension	(148)	(268)	(62)
Other assets and liabilities	(62)	(185)	(43)
Net cash provided by (used in) operating activities	607	(79)	287
Investing Activities			
Purchases of short-term investments	(354)	(356)	(685)
Proceeds from sales of short-term investments	189	573	482
Expenditures for reworkable service parts	(168)	(140)	(154)
Expenditures for property, plant and equipment	(187)	(205)	(194)
Acquisition of minority interest in subsidiary	-	(274)	-
Proceeds from sales of facilities and other assets	304	310	99
Other investing activities, net	(110)	(94)	(111)
Net cash used in investing activities	(326)	(186)	(563)
Financing Activities			
Purchases of Company common stock	(269)	(200)	-
Short-term borrowings, net	(13)	(9)	31
Long-term borrowings, net	7	(2)	(13)
Other financing activities, net	81	57	44
Net cash (used in) provided by financing activities	(194)	(154)	62
Effect of exchange rate changes on cash and cash equivalents	(4)	21	(63)
Increase (decrease) in cash and cash equivalents	83	(398)	(277)
Cash and cash equivalents at beginning of year	488	886	1,163
Cash and cash equivalents at end of year	$ 571	$ 488	$ 886

Supplemental disclosure of non-cash investing activities:
In 1999, the Company sold its TeraCube(R) software rights and related assets to MicroStrategy Incorporated in exchange for $14 million of MicroStrategy Incorporated common stock. A pre-tax realized gain of $11 million was recognized in NCR's consolidated financial statements.

The Notes on pages 56 through 81 are an integral part of the consolidated financial statements.

NCR CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

In millions

	Common Stock Shares	Common Stock Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
December 31, 1996	101	$1	$1,394	$ -	$ 1	$1,396
Employee stock purchase and stock compensation plans	2	-	44	-	-	44
Subtotal	103	1	1,438	-	1	1,440
Net income	-	-	-	7	-	7
Other comprehensive income, net of tax:						
Currency translation adjustments	-	-	-	-	(79)	(79)
Unrealized gains on securities:						
Unrealized holding gains arising during the period	-	-	-	-	6	6
Less: reclassification adjustment for gains included in net income	-	-	-	-	(9)	(9)
Additional minimum pension liability	-	-	-	-	(12)	(12)
Comprehensive income (loss)	-	-	-	7	(94)	(87)
December 31, 1997	103	1	1,438	7	(93)	1,353
Employee stock purchase and stock compensation plans	2	-	57	-	-	57
Purchase of Company common stock	(6)	-	(200)	-	-	(200)
Subtotal	99	1	1,295	7	(93)	1,210
Net income	-	-	-	122	-	122
Other comprehensive income, net of tax:						
Currency translation adjustments	-	-	-	-	95	95
Unrealized gains on securities:						
Unrealized holding gains arising during the period	-	-	-	-	9	9
Less: reclassification adjustment for gains included in net income	-	-	-	-	(4)	(4)
Additional minimum pension liability	-	-	-	-	15	15
Comprehensive income	-	-	-	122	115	237
December 31, 1998	99	1	1,295	129	22	1,447
Employee stock purchase and stock compensation plans	3	-	80	-	-	80
Proceeds from sale of put options	-	-	1	-	-	1
Reclassification of put option obligation	-	-	(13)	-	-	(13)
Purchase of Company common stock	(8)	-	(282)	-	-	(282)
Subtotal	94	1	1,081	129	22	1,233
Net income	-	-	-	337	-	337
Other comprehensive income, net of tax:						
Currency translation adjustments	-	-	-	-	(13)	(13)
Unrealized gains on securities:						
Unrealized holding gains arising during the period	-	-	-	-	54	54
Less: reclassification adjustment for gains included in net income	-	-	-	-	(14)	(14)
Additional minimum pension liability	-	-	-	-	(1)	(1)
Comprehensive income	-	-	-	337	26	363
December 31, 1999	94	$1	$1,081	$466	$ 48	$1,596

The Notes on pages 56 through 81 are an integral part of the consolidated financial statements.

Note 1.
Description of Business and Significant Accounting Policies

Description of Business

NCR Corporation and its subsidiaries (NCR or the Company) provide solutions worldwide that are designed specifically to enable businesses to build, expand and enhance their relationships with their customers by facilitating transactions and transforming data from transactions into useful business information.

Through its presence at customer interaction points, such as self service (e.g., automated teller machines) or store automation (e.g., point-of-sale workstations), NCR's solutions are designed to help businesses process consumer transactions. They also offer businesses the opportunity to centralize detailed information in a data warehouse, analyze the complex relationships among all of the different data elements, and respond with programs designed to improve consumer acquisition, retention and profitability. NCR offers specific solutions for the retail and financial industries and also provides solutions for industries including telecommunications, transportation, insurance, utilities and electronic commerce as well as consumer goods manufacturers and government entities. These solutions are built on NCR's foundation of long-established industry knowledge and consulting expertise, value-adding software, global customer support services, a complete line of consumable and media products and a range of hardware technology.

Basis of Consolidation

The consolidated financial statements include the accounts of NCR and its majority-owned subsidiaries in which NCR exercises significant influence and control. Long-term investments in affiliated companies in which NCR exercises significant influence, but which it does not control, are accounted for under the equity method. Investments in which NCR does not exercise significant influence (generally when NCR has no representative on the company's Board of Directors) are accounted for under the cost method. All significant intercompany transactions and accounts have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are made when accounting for uncollectible accounts receivable, excess and obsolete inventory, product warranty, depreciation and amortization, employee benefit plans, income taxes, restructuring and other related charges and environmental and other contingencies, among others.

Foreign Currency

For most NCR international operations, the local currency is designated as the functional currency. Accordingly, assets and liabilities are translated into U.S. dollars at year-end exchange rates, and revenues and expenses are translated at average exchange rates prevailing during the year. Currency translation adjustments resulting from fluctuations in exchange rates are recorded in other comprehensive income.

In the normal course of business, NCR enters into various financial instruments, including derivative financial instruments. The use of foreign exchange forward contracts and options allows NCR to reduce its exposure to changes in currency exchange rates. Derivatives used as a part of NCR's risk management strategy must be designated at inception as hedges and measured for effectiveness both at inception and on an ongoing basis. NCR primarily uses forward contracts and options to hedge its foreign currency exposures relating largely to inventory purchases by marketing units and inventory sales by manufacturing units. For foreign exchange contracts that hedge firm commitments, and foreign exchange options contracts that hedge anticipated transactions, the gains and losses are deferred and recognized as adjustments of carrying amounts when the underlying hedged transaction is realized, canceled or otherwise terminated. For other foreign exchange contracts that hedge anticipated transactions, gains and losses are recognized currently in other income and expense as exchange rates change. When hedging certain foreign currency transactions of a long-term investment nature, gains and losses are recorded in the currency translation adjustment component of stockholders' equity. Cash payments are primarily based on net gains and losses related to foreign exchange derivatives and are included in cash flows from operating activities in the consolidated statements of cash flows. At December 31, 1999, deferred net gains on foreign exchange options which hedged anticipated transactions were $3 million, and the unamortized foreign exchange option premiums were $15 million. The applicable amounts at December 31, 1998 were $6 million and $9 million, respectively.

Revenue Recognition

Revenue from product and software license sales is generally recognized upon performance of contractual obligations, such as shipment, installation or customer acceptance. To the extent that significant obligations remain or significant uncertainties exist about customer acceptance of such products or licenses at the time of sale, revenue is not recognized until the obligations are satisfied or the uncertainties are resolved. Services and maintenance revenue is recognized proportionately over the contract period or as services are performed.

Warranty, Sales Returns and Post Sales Support

Provisions for product warranties, sales returns and allowances and post sales support are recorded in the period in which the related revenue is recognized.

Capitalized Software

Costs incurred for the development of computer software that will be sold, leased or otherwise marketed are capitalized when technological feasibility has been established. In 1999, NCR implemented the Statement of Position 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". As a result, costs incurred for the design, coding, installation and testing of internal-use software were capitalized beginning in 1999. Both of these types of costs are recorded as capitalized software and generally amortized over three years. Capitalized software is subject to an ongoing assessment of recoverability based upon anticipated future revenues and identified changes in hardware and software technologies. Costs capitalized include direct labor and related overhead costs. Amortization of capitalized software development costs was $63 million in 1999, $65 million in 1998 and $66 million in 1997. Accumulated amortization for software development costs was $102 million and $105 million at December 31, 1999 and 1998, respectively.

Income Taxes

Income tax expense is provided based on income before income taxes. Deferred income taxes reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured by applying currently enacted tax laws. NCR records valuation allowances related to its deferred income tax assets when, in the opinion of management, it is more likely than not that some portion or all of the deferred income tax assets will not be realized.

Net Income Per Common Share

Basic earnings per share is calculated by dividing net income by the weighted average number of shares outstanding during the reported period. The calculation of diluted earnings per share is similar to basic, except that the weighted average number of shares outstanding includes the additional dilution from potential common stock such as stock options and restricted stock awards. For the year ended December 31, 1999, the weighted average number of common shares outstanding used to compute diluted earnings per share included 0.6 million of restricted stock awards and 2.4 million of stock options. For the year ended December 31, 1998, the weighted average number of common shares outstanding used to compute diluted earnings per share included 0.5 million of restricted stock awards and 0.6 million of stock options. For the year ended December 31, 1997, the dilutive effect of potential common stock had no impact on reported net income per common share.

Cash, Cash Equivalents and Short-Term Investments

All short-term, highly liquid investments having maturities of three months or less at the date of acquisition are considered to be cash equivalents. Short-term investments include certificates of deposit, commercial paper and other investments having maturities greater than three months at the date of acquisition. Such investments are stated at cost which approximates fair value at December 31, 1999 and 1998.

Inventories

Inventories are stated at the lower of average cost or market.

Investments in Marketable Securities

All marketable securities, which are included in other assets, are deemed by management to be available for sale and are reported at fair value with net unrealized gains or losses reported, net of tax, within stockholders' equity. Realized gains and losses are recorded based on the specific identification method and average cost method, as appropriate, based upon the investment type. The fair value of the Company's investments in marketable securities in aggregate was $118 million and $77 million at December 31, 1999 and 1998, respectively.

Long-Lived Assets and Goodwill

Property, plant, equipment and reworkable service parts are stated at cost less accumulated depreciation. Reworkable service parts are those parts that can be reconditioned and used in installation and ongoing maintenance services and integrated service solutions for NCR's customers. Depreciation is computed over the estimated useful lives of the related assets primarily on the straight-line basis. Buildings are depreciated over 25 to 45 years, machinery and equipment over three to ten years and reworkable service parts over three to five years.

Goodwill is included in other assets and is carried at cost less accumulated amortization. Amortization is computed on a straight-line basis over useful lives ranging from 5 to 20 years. Accumulated amortization was $20 million and $29 million at December 31, 1999 and 1998, respectively.

NCR reviews the carrying value of long-lived assets and goodwill for impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss would be recognized when estimated future undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount.

Acquisitions and Divestitures

During 1999, 1998 and 1997, NCR acquired several companies that were not significant to its financial position, results of operations or cash flows. All of these acquisitions were accounted for under the purchase method. Acquisition costs were allocated to the acquired tangible and identifiable intangible assets and liabilities based on fair market values, with residual amounts recorded as goodwill. In-process research and development write-offs have not been significant. In 1999 and 1998, NCR sold assets related to portions of its businesses to third parties. Unaudited pro forma financial information has not been presented because the effects of these acquisitions and divestitures were not material on either an individual or aggregated basis.

Reclassifications

Certain prior year amounts have been reclassified to conform to the 1999 presentation.

Recently Issued Accounting Pronouncements

In June 1999, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities" which delayed the effective date of Statement of Financial Accounting Standards No. 133 (SFAS 133), ''Accounting for Derivative Instruments and Hedging Activities" for one year. SFAS 133 provides guidance for the recognition and measurement of derivatives and hedging activities. It requires an entity to record, at fair value, all derivatives as either assets or liabilities in the balance sheet, and it establishes specific accounting rules for certain types of hedges. SFAS 133 is now effective for fiscal years beginning after June 15, 2000 and will be adopted by the Company when required, if not earlier. The impact, if any, of adopting SFAS 133 on NCR's consolidated financial position, results of operations and cash flows, has not been finalized.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin 101 (SAB 101), "Revenue Recognition in Financial Statements", which provides guidance on applying generally accepted accounting principles for recognizing revenue. SAB 101 is effective for fiscal years beginning after December 15, 1999. The impact, if any, of adopting SAB 101 on NCR's consolidated financial position, results of operations and cash flows, has not been determined.

Note 2.
Supplementary Financial Information

In millions	Year Ended December 31 1999	1998	1997
Other Income			
Interest income	$ 26	$ 44	$ 52
Gain (loss) on sales of assets	107	47	(4)
Other, net	36	32	13
Total other income, net	$169	$ 123	$ 61

In millions	At December 31 1999	1998
Cash, Cash Equivalents and Short-Term Investments		
Cash and cash equivalents	$ 571	$ 488
Short-term investments	192	26
Total cash and short-term investments	$ 763	$ 514
Accounts Receivable		
Trade	$ 1,047	$ 1,423
Other	181	180
	1,228	1,603
Less: allowance for doubtful accounts	(31)	(47)
Total accounts receivable, net	$ 1,197	$ 1,556
Inventories		
Finished goods, net	$ 241	$ 324
Work in process and raw materials, net	58	60
Total inventories	$ 299	$ 384
Other Current Assets		
Current deferred tax assets	$ 167	$ 67
Other	115	111
Total other current assets	$ 282	$ 178
Reworkable Service Parts		
Reworkable service parts	$ 516	$ 555
Less: accumulated depreciation	(307)	(323)
Total reworkable service parts, net	$ 209	$ 232
Property, Plant and Equipment		
Land and improvements	$ 140	$ 155
Buildings and improvements	701	747
Machinery and other equipment	1,170	1,313
	2,011	2,215
Less: accumulated depreciation	(1,218)	(1,343)
Total property, plant and equipment, net	$ 793	$ 872
Other Assets		
Prepaid pension cost	$ 811	$ 723
Capitalized software, net	116	104
Other	425	329
Total other assets	$ 1,352	$ 1,156
Accumulated Other Comprehensive Income		
Currency translation adjustments	$ 30	$ 43
Unrealized gains (losses) on securities	39	(1)

Additional minimum pension liability and other	(21)	(20)
Total accumulated other comprehensive income	$ 48	$ 22

Note 3.
Business Restructuring

During the fourth quarter of 1999, management approved a restructuring plan designed to accelerate the Company's transformation from a computer hardware and product company, to a technology solutions and services provider. A pre-tax charge of $125 million was recorded in the fourth quarter of 1999 to provide for restructuring and other related charges as a result of this plan. The plan will lead to an alignment around three key solutions, an elimination of approximately 1,250 positions and an enhanced leverage of the investment in the Company's Data Warehousing offering. The three key solutions that the Company will focus on as a result of the plan are Data Warehousing, Self Service and Store Automation. In targeted countries, the Company will be exiting certain commodity hardware businesses, such as entry-level and mid-range computer hardware, to the extent that it is sold through its non-core solutions, primarily Channel Delivery and Customer Interaction.

In total, the plan calls for approximately 1,250 employee separations, including approximately 1,000 separations in locations outside of the United States, and will include sales, infrastructure support and other positions. As of December 31, 1999, approximately 8% of the employee separations were completed.

The pre-tax charge of $125 million was comprised of restructuring and other related liabilities of $83 million, $35 million of related asset impairments and $7 million of related software and inventory write-downs. The following table presents a roll-forward of the liabilities incurred in connection with the 1999 business restructuring, which were all reflected as current liabilities in NCR's consolidated balance sheet:

In millions	Balance Jan. 01, 1999	Additions	Utilizations	Balance Dec. 31, 1999
Type of Cost				
Employee separations	$ -	$76	$ (9)	$67
Facility closures	-	2	-	2
Contractual settlements and other exit costs	-	5	(1)	4
Total	$ -	$83	$(10)	$73

In connection with the restructuring plan, the Company performed a review of its long-lived assets to identify potential impairments. As a result, NCR recorded a $35 million charge resulting from the abandonment or write-down of certain assets, including goodwill related to NCR's networking products business. Additionally, NCR recorded $7 million of charges for the write-off of software licenses and inventory write-downs.

The total $125 million charge in the fourth quarter was recorded as $8 million cost of revenue and $117 million selling, general and administrative expenses. In addition to the $125 million charge recorded in the fourth quarter of 1999, the Company expects to incur approximately $55 million of additional costs throughout 2000, primarily related to settling customer obligations that were not complete as of December 31, 1999. These additional costs will be appropriately recognized as incurred or as settlements are reached.

In total, the Company expects the pre-tax charge of $125 million to result in cash outlays of $83 million and non-cash write-offs of $42 million. The cash outlays are primarily for employee separations, contract cancellations and settlement of customer obligations. As of December 31, 1999, a total of $10 million of the expected cash payments had been made with the balance expected to occur throughout 2000. Execution of the plan is anticipated to be substantially complete by the third quarter of 2000.

Note 4.
Income Taxes

Income before income taxes consists of the following (in millions):

	Year Ended December 31		
	1999	1998	1997
Income (Loss) Before Income Taxes			
U.S.	$ 264	$ 272	$(121)
Foreign	(29)	(60)	148
Total income before income taxes	$ 235	$ 212	$ 27

Income tax expense (benefit) consists of the following (in millions):

	Year Ended December 31		
	1999	1998	1997
Income Tax Expense (Benefit)			
Current			
Federal	$ 24	$ 21	$ (17)
State and local	2	(8)	(17)
Foreign	59	23	41
Deferred			
Federal	(218)	-	-
State and local	(14)	-	-
Foreign	45	54	13
Total income tax (benefit) expense	$(102)	$ 90	$ 20

The following table presents the principal components (in millions) of the difference between the effective tax rate and the U.S. federal statutory income tax rate:

	Year Ended December 31		
	1999	1998	1997
Income tax expense at the U.S. federal tax rate of 35%	$ 82	$ 74	$ 10
Foreign income tax differential	74	98	2
U.S. tax losses and valuation allowance	(260)	(91)	42
Other, net	2	9	(34)
Total income tax (benefit) expense	$(102)	$ 90	$ 20

NCR's tax provisions include a provision for income taxes in those tax jurisdictions where its subsidiaries are profitable, but reflect no or only a portion of the tax benefits related to certain foreign subsidiaries' tax losses due to the uncertainty of the ultimate realization of future benefits from these losses. In 1999, U.S. tax losses and valuation allowance includes the effect of the recognition of the Company's federal and a portion of its state deferred income taxes that were previously subject to a valuation allowance.

NCR paid income taxes of $61 million, $60 million and $108 million for the years ended December 31, 1999, 1998 and 1997, respectively.

Deferred income tax assets and liabilities included in the balance sheets at December 31 were as follows (in millions):

	1999	1998
Deferred Income Tax Assets		
Employee pensions and other benefits	$ 165	$ 242
Other balance sheet reserves and allowances	198	261
Tax loss and credit carryforwards	353	252
Property, plant and equipment	24	31
Other	76	91
Total deferred income tax assets	816	877
Valuation allowance	(285)	(498)
Net deferred income tax assets	531	379
Deferred Income Tax Liabilities		
Property, plant and equipment	93	77
Employee pensions and other benefits	135	122
Taxes on undistributed earnings of foreign subsidiaries	75	126
Other	79	89
Total deferred income tax liabilities	382	414
Total net deferred income tax assets (liabilities)	$ 149	$ (35)

NCR has recorded valuation allowances related to its deferred income tax assets due to the uncertainty of the ultimate realization of future benefits from certain assets. The 1999 net change in the valuation allowance is primarily attributable to the $232 million reduction in the Company's U.S. deferred tax valuation allowance as a result of the U.S. operations achieving sustained profitability partially offset by incremental foreign deferred tax valuation allowances. As of December 31, 1999, NCR has U.S. federal and foreign tax loss carryforwards of approximately $560 million. The tax loss carryforwards subject to expiration expire in years 2001 through 2019.

NCR has not provided for U.S. federal income taxes or foreign withholding taxes on approximately $612 million and $399 million of undistributed earnings of a foreign subsidiary as of December 31, 1999 and 1998, respectively, because such earnings are intended to be reinvested indefinitely.

The income tax effect relating to comprehensive income for 1999 was $5 million; in 1998 and 1997 the tax effects were not significant as a result of the Company's tax position in those years.

Note 5.
Debt Obligations

NCR has debt with scheduled maturities within one year of $37 million and $50 million as of December 31, 1999 and 1998, respectively. The weighted average interest rate for such debt was 7.7% at December 31, 1999 and 7.3% at December 31, 1998. NCR has long-term debt and notes totaling $40 million and $33 million at December 31, 1999 and 1998, respectively. These obligations have U.S. dollar equivalent interest rates ranging from 7.64% to 9.49% with scheduled maturity dates from 2001 to 2020. The scheduled maturities of the outstanding long-term debt and notes during the next five years are: $28 million in 2001, $5 million in 2003 and the remainder after 2005. Interest paid was approximately $16 million, $13 million and $19 million in 1999, 1998 and 1997, respectively.

In 1996, NCR entered into a five-year, unsecured revolving credit facility with a syndicate of commercial banks and financial institutions. The credit facility provides that NCR may borrow on a revolving credit basis an aggregate principal amount of up to $600 million. The credit facility matures in 2001 and contains certain representations and warranties, conditions, affirmative, negative and financial covenants and events of default customary for such facilities. Interest rates charged on borrowings outstanding under the credit facility are based on prevailing market rates. No amounts were outstanding under the facility as of December 31, 1999 or 1998.

Note 6.
Employee Benefit Plans

Pension and Postretirement Plans

NCR sponsors defined benefit plans for substantially all U.S. employees and the majority of international employees. For salaried employees, the defined benefit plans are based primarily upon compensation and years of service. For certain hourly employees in the U.S., the benefits are based on a fixed dollar amount per year of service. NCR's funding policy is generally to contribute annually not less than the minimum required by applicable laws and regulations. Assets of NCR's defined benefit plans are primarily invested in publicly-traded common stocks, corporate and government debt securities, real estate investments and cash or cash equivalents.

Prior to September 1998, substantially all U.S. employees who reached retirement age while working for NCR were eligible to participate in a postretirement benefit plan. The plan provides medical care and life insurance benefits to retirees and their eligible dependents. In September 1998, the plan was amended whereby participants who had not reached a certain age and years of service with NCR were no longer eligible for such benefits. In 1998, NCR recognized a $19 million pre-tax gain on the curtailment of these benefits and expects that this and other plan changes will favorably impact future postretirement net benefit costs. Non-U.S. employees are typically covered under government sponsored programs, and NCR generally does not provide postretirement benefits other than pensions to non-U.S. retirees. NCR generally funds these benefits on a pay-as-you-go basis from operations.

Reconciliations of the beginning and ending balances of the benefit obligations for NCR's pension and postretirement benefit plans were (in millions):

	Pension Benefits		Postretirement Benefits	
	1999	1998	1999	1998
Change in Benefit Obligation				
Benefit obligation at January 1	$3,422	$3,084	$ 316	$ 394
Gross service cost	83	78	1	4
Interest cost	225	222	23	27
Amendments	16	7	-	(90)
Actuarial (gain) loss	(31)	328	20	36
Benefits paid	(204)	(204)	(34)	(36)
Curtailment	(1)	-	-	(19)
Settlement	(1)	(145)	-	-
Currency translation adjustments	(47)	52	-	-
Benefit Obligation at December 31	$3,462	$3,422	$ 326	$ 316

A reconciliation of the beginning and ending balances of the fair value of the plan assets of NCR's pension plans follows (in millions):

	Pension Benefits	
	1999	1998
Change in Plan Assets		
Fair value of plan assets at January 1	$4,000	$3,662
Actual return on plan assets	924	573
Company contributions	67	72
Plan participant contributions	5	6
Benefits paid	(204)	(204)
Settlement	(1)	(145)
Currency translation adjustments	(84)	36
Fair Value of Plan Assets at December 31	$4,707	$4,000

Accrued pension and/or postretirement benefit assets (liabilities) included in NCR's consolidated balance sheet at December 31 were (in millions):

	Pension Benefits		Postretirement Benefits	
	1999	1998	1999	1998
Reconciliation to Balance Sheet				
Funded status	$1,245	$ 578	$(326)	$(316)
Unrecognized net gain	(779)	(205)	(15)	(35)
Unrecognized prior service cost	38	40	(46)	(58)
Unrecognized transition asset	(47)	(69)	-	-
Net Amount Recognized	$ 457	$ 344	$(387)	$(409)
Total Recognized Amounts Consist of:				
Prepaid benefit cost	$ 811	$ 723	$ -	$ -
Accrued benefit liability	(380)	(401)	(387)	(409)
Intangible asset	5	2	-	-
Accumulated other comprehensive income	21	20	-	-
Net Amount Recognized	$ 457	$ 344	$(387)	$(409)

The weighted average rates and assumptions utilized in accounting for these plans for the years ended December 31 were:

	Pension Benefits			Postretirement Benefits		
	1999	1998	1997	1999	1998	1997
Discount rate	7.0%	6.8%	7.3%	7.5%	7.0%	7.5%
Expected return on plan assets	10.0%	10.0%	9.6%	-	-	-
Rate of compensation increase	4.1%	4.3%	4.3%	4.3%	4.3%	4.3%

For postretirement benefit measurement purposes, NCR assumed growth in the per capita cost of covered health care benefits (the health care cost trend rate) would gradually decline from 9.5% and 7.0%, pre-65 and post-65, respectively, in 1999 to 5.0% by the year 2006. In addition, a one percentage point change in assumed health care cost trend rates would have the following effect on the postretirement benefit costs and obligation (in millions):

	1% Increase	1% Decrease
1999 service cost and interest cost	$ 2	$ (2)
Postretirement benefit obligation at December 31, 1999	$ 22	$ (20)

The net periodic benefit cost for the plans for the years ended December 31, follows (in millions):

	Pension Benefits			Postretirement Benefits		
	1999	1998	1997	1999	1998	1997
Net service cost	$ 78	$ 75	$ 69	$ 1	$ 4	$ 5
Interest cost	225	222	204	23	27	28
Expected return on plan assets	(360)	(349)	(314)	-	-	-
Settlement	-	46	-	-	-	-
Curtailment	-	-	-	-	(19)	-
Amortization of:						
Transition asset	(22)	(22)	(21)	-	-	-
Prior service cost	16	17	17	(12)	(3)	2
Actuarial losses (gains)	3	4	(2)	-	(1)	(3)
Net Benefit Cost	$ (60)	$ (7)	$ (47)	$ 12	$ 8	$ 32

In 1998, NCR recognized a $50 million pre-tax non-recurring pension charge relating to its Japanese subsidiary.

For pension plans with accumulated benefit obligations in excess of plan assets, the projected benefit obligation, accumulated benefit obligation and fair value were $504 million, $401 million and $31 million, respectively, at December 31, 1999 and $460 million, $386 million and $10 million, respectively, at December 31, 1998.

While NCR was owned by AT&T Corp. (AT&T), the assets of NCR's U.S. pension plans were held as part of a master trust managed by AT&T. The valuation of the December 31, 1996 assets attributable to the AT&T, Lucent and NCR pension plans were finalized resulting in an additional $230 million in assets to NCR and a corresponding decrease of $23 million in NCR's 1997 pension expense.

In 1996, NCR entered into an agreement with the Pension Benefit Guaranty Corporation (PBGC) concerning the provision by NCR of additional support for its domestic defined benefit pension plans. Under this agreement, among other terms and conditions, NCR agreed to provide security interests in support of such plans in collateral with an aggregate value (calculated by applying specified discounts to market value) of $84 million. This collateral is comprised of certain domestic real estate. NCR does not believe that its agreement with the PBGC will have a material effect on its financial condition, results of operations or cash flows.

Savings Plans

All U.S. employees and many international employees participate in defined contribution savings plans. These plans generally provide either a specified percent of pay or a matching contribution on participating employees' voluntary elections. NCR's matching contributions typically are subject to a maximum percentage or level of compensation. Employee contributions can be made pre-tax, after-tax or a combination thereof. The expense under these plans was approximately $28 million, $24 million and $30 million for 1999, 1998 and 1997, respectively.

Other Postemployment Benefits

NCR offers various postemployment benefits to involuntarily terminated and certain inactive employees after employment but before retirement. These benefits are paid in accordance with NCR's established postemployment benefit practices and policies. Postemployment benefits may include disability benefits, supplemental unemployment benefits, severance, workers' compensation benefits and continuations of health care benefits and life insurance coverage. The accrued postemployment liability at December 31, 1999 and 1998 was $275 million and $271 million, respectively.

Note 7.
Acquisition of Minority Interest in Subsidiary

During 1998, NCR acquired an additional 27% ownership interest in its Japanese subsidiary, NCR Japan, Ltd. at a cost of $274 million, increasing NCR's ownership of the subsidiary to over 97%. As a result of the acquisition, which is being accounted for as a purchase, goodwill of approximately $65 million was recorded by NCR and is being amortized on a straight-line basis over 20 years. On a pro forma basis, the impact of the transaction on NCR's consolidated net income and net income per share for the years ended December 31, 1998 and 1997 was not material.

Note 8.
Stock Compensation Plans, Purchases of Company Common Stock and Put Options

Stock Compensation Plans

The NCR Management Stock Plan provides for the grant of several different forms of stock-based benefits, including stock options, stock appreciation rights, restricted stock awards, performance awards, other stock unit awards and other rights, interests or options relating to shares of NCR common stock to employees and non-employee directors. Stock options are generally granted at the fair market value of the common stock at the date of grant, generally have a ten-year term and vest within three years of the grant date. Grants that were issued before 1998 generally had a four-year vesting period. Options to purchase common stock may be granted under the authority of the Board of Directors. Option terms as determined by the Compensation Committee of the Board will not exceed ten years, as consistent with the Internal Revenue Code. The number of shares of common stock authorized and available for grant under this plan were approximately 17 million and 5 million, respectively, at December 31, 1999.

NCR adopted the WorldShares Plan effective as of December 31, 1996, the date AT&T distributed to its stockholders all of its interest in NCR on the basis of one share of NCR common stock for each 16 shares of AT&T common stock (the Distribution). The plan provides for the grant of nonstatutory stock options to substantially all NCR employees. NCR provided each participant with an option to purchase shares of NCR common stock with an aggregate market value of $3,000 as of the Distribution date. Such options have an exercise price of $33.44, equal to the market value of NCR common stock on January 2, 1997, and have a five-year expiration period. Subject to certain conditions, participants became fully vested and able to exercise their options January 2, 1998. The number of shares authorized and available for grant under this plan were approximately 7 million and 4 million, respectively, at December 31, 1999.

A summary of stock option activity under the NCR Management Stock Plan and the WorldShares Plan follows (shares in thousands):

	1999		1998		1997	
	Shares Under Option	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price
Outstanding at beginning of year	12,906	$33.13	12,521	$33.26	6,871	$32.34
Granted	3,967	40.64	2,904	31.87	6,491	33.24
Exercised	(1,631)	31.36	(703)	27.13	(425)	20.43
Canceled	(504)	36.47	(1,552)	33.95	(349)	34.91
Forfeited	(161)	33.27	(264)	36.06	(67)	34.53
Outstanding at end of year	14,577	$35.22	12,906	$33.13	12,521	$33.26

The following table summarizes information about stock options outstanding at December 31, 1999 (shares in thousands):

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	Shares	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
$5.92 to $14.51	68	1.21 years	$12.35	68	$12.35
$15.28 to $29.72	870	3.04 years	23.87	755	23.47
$30.31 to $51.63	13,639	6.50 years	36.06	7,340	34.52
Total	14,577		$35.22	8,163	$33.31

NCR accounts for its stock-based compensation plans using the intrinsic value-based method, which requires compensation expense for options to be recognized when the market price of the underlying stock exceeds the exercise price on the date of grant. Compensation cost charged against income for NCR's stock-based plans was not material in 1999, 1998 and 1997. Had NCR recognized stock-based compensation expense based on the fair value of granted options at the grant date, net income (loss) and net income (loss) per diluted share for the years ended December 31 would have been as follows (in millions, except per share amounts):

		1999	1998	1997
Net income (loss)	As reported	$ 337	$ 122	$ 7
	Pro forma	309	81	(58)
Net income (loss) per diluted share	As reported	$3.35	$ 1.20	$0.07
	Pro forma	3.07	0.80	(0.57)

The pro forma amounts in 1997 contain a charge for the January 2, 1997 grant of options to substantially all NCR employees under the WorldShares Plan of $32 million. The pro forma amounts shown above are not necessarily indicative of the effects on net income (loss) and net income (loss) per diluted share in future years.

The above pro forma net income (loss) and net income (loss) per diluted share for all periods presented were computed using the fair value of options as calculated using the Black-Scholes option-pricing method. The following weighted average assumptions were used for the years ended December 31:

	1999	1998	1997
Dividend yield	0.00%	0.00%	0.00%
Risk-free interest rate	4.97%	5.35%	6.35%
Expected volatility	40.00%	40.00%	40.00%
Expected holding period (years)	5.00	5.00	4.06

The weighted average fair value of NCR stock options calculated using the Black-Scholes option-pricing model for options granted during the years ended December 31, 1999, 1998 and 1997 was $17.39, $13.85 and $13.14 per share, respectively.

The NCR Employee Stock Purchase Plan enables eligible employees to purchase NCR's common stock at 85% of the average market price at the end of the last trading day of each month. Employees may authorize payroll deductions of up to 10% of eligible compensation for common stock purchases. During 1999, 1998 and 1997, employees purchased approximately 900 thousand, one million and one million shares, respectively, of NCR common stock for approximately $30 million, $28 million and $28 million, respectively. The number of shares authorized for future issuance and available for grant under this plan at December 31, 1999 were approximately 8 million and 5 million, respectively.

Purchase of Company Common Stock

As of December 31, 1999, the Company committed $282 million of the total $500 million authorized by the Board of Directors on April 15, 1999 and October 21, 1999 for share repurchase programs. A portion of the funds was used to cash out fractional interests in NCR stock resulting from a 1-for-10 reverse stock split, followed immediately by a 10-for-1 forward split of NCR's common stock, on May 14, 1999. This program effectively cashed out registered stockholders who held fewer than 10 shares of NCR common stock in a record account as of May 14, 1999. As a result of the reverse/forward stock split initiative, approximately 2.4 million shares were repurchased at a cost of $42.38 per share. Additionally, in the second, third and fourth quarters of 1999, 5.1 million shares were repurchased on the open market, at an average cost of $35.25 per share.

On April 16, 1998, NCR's Board of Directors approved a share repurchase program authorizing the purchase of shares of Company common stock valued up to $200 million. In the third quarter of 1998, NCR completed its 1998 stock buyback program, purchasing a total of 6.3 million shares at a cost of $200 million.

Put Options

In a single private placement in 1999, the Company sold put options that entitle the holder of each option to sell to the Company, by physical delivery, 400,000 shares of common stock at a specified price. In 1999, the activity is summarized as follows:

		Put Options Outstanding	
In millions	Cumulative Net Premium Received	Number of Options	Potential Obligation
December 31, 1998	$ -	-	$ -
Sales	1.1	0.4	13.1
Exercises	-	-	-
Expirations	-	-	-
December 31, 1999	$ 1.1	0.4	$13.1

The amount related to the Company's $13 million potential repurchase obligation has been reclassified from stockholders' equity to put options. Each option is exercisable only at expiration, and all options expire on March 1, 2000. The options have an exercise price of $32.64 per share. These put option obligations had no significant effect on diluted earnings per share for the periods presented.

Note 9.
Financial Instruments

In the normal course of business, NCR enters into various financial instruments, including derivative financial instruments. These instruments primarily consist of foreign exchange forward contracts and options which are used to reduce NCR's exposure to changes in currency exchange rates. At inception, foreign exchange contracts are designated as hedges of firmly committed or forecasted transactions. These transactions are generally expected to occur in less than one year. The forward contracts and options generally mature within twelve months. The majority of NCR's foreign exchange forward contracts were to exchange British pounds, Canadian dollars and German marks.

Letters of Credit

Letters of credit are purchased guarantees that ensure NCR's performance or payment to third parties in accordance with specified terms and conditions. Letters of credit may expire without being drawn upon. Therefore, the total notional or contract amounts do not necessarily represent future cash flows.

Fair Value of Financial Instruments

The carrying amounts of cash, cash equivalents, short-term investments, accounts receivable, accounts payable and other current liabilities approximate fair value due to the short maturity of these instruments. The fair values of long-term debt and foreign exchange contracts are based on market quotes of similar instruments. The fair value of letters of credit are based on fees charged for similar agreements. The table below presents the fair value, carrying value and notional amount of foreign exchange contracts, debt and letters of credit at December 31, 1999 and 1998. The notional amounts represent agreed-upon amounts on which calculations of dollars to be exchanged are based, and are an indication of the extent of NCR's involvement in such instruments. They do not represent amounts exchanged by the parties and, therefore, are not a measure of the instruments.

In millions	Contract Notional Amount	Carrying Amount Asset	Carrying Amount Liability	Fair Value Asset	Fair Value Liability
1999					
Foreign exchange forward contracts	$467	$19	$24	$19	$30
Foreign currency options	403	19	2	19	2
Debt	-	-	77	-	77
Letters of credit	44	-	-	-	-
1998					
Foreign exchange forward contracts	$902	$37	$37	$57	$39
Foreign currency options	309	16	1	12	2
Debt	-	-	83	-	85
Letters of credit	47	-	-	-	-

Fair values of financial instruments represent estimates of possible value that may not be realized in the future.

Concentration of Credit Risk

Financial instruments that potentially subject NCR to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments, accounts receivables and hedging instruments. By their nature, all such financial instruments involve risk, including the credit risk of nonperformance by counterparties, and the maximum potential loss may exceed the amount recognized in the balance sheet. At December 31, 1999 and 1998, in management's opinion, there was no significant risk of loss in the event of nonperformance of the counterparties to these financial instruments. Exposure to credit risk is managed through credit approvals, credit limits, selecting major international financial institutions (as counterparties to hedging transactions) and monitoring procedures, and management believes that the reserves for losses are adequate. NCR had no significant exposure to any individual customer or counterparty at December 31, 1999 or 1998, nor does NCR have any major concentration of credit risk related to any financial instrument.

Note 10.
Segment Information and Concentrations

NCR operates in the information technology industry, which includes designing, developing and marketing technology and business solutions worldwide.

Operating Segment Information

NCR assesses performance and allocates resources based principally on the customers served and the industries in which such customers operate. Accordingly, NCR categorizes its operations into four strategic segments: Retail, Financial, Teradata Solutions Group (TSG) and Systemedia. The Retail and Financial industry segments serve customers that operate in the respective industries. TSG provides solutions, products and services to customers in the telecommunications, transportation, insurance, utilities, electronic commerce industries, consumer goods manufacturers and government entities. The Systemedia segment develops, produces and markets consumable media products principally for customers in industries served by NCR's other operating segments.

Through its Retail industry segment, NCR provides a full line of solutions to improve customer service and operating efficiency for customers in the retail industry. Offerings for the retail industry are grouped into two solutions portfolios: Store Automation and Retail Data Warehousing. NCR's Financial industry segment provides a full line of solutions to customers in the financial services industry with particular focus on retail banking. These offerings are included in four solution portfolios: Self Service, Financial Data Warehousing, Payment and Imaging and Channel Delivery. The Company's TSG segment provides solutions to integrate software, hardware, professional consulting services, customer support services and products from leading technology firms that partner with NCR to meet customer needs. TSG offerings are grouped primarily into two solutions portfolios: National Accounts Data Warehousing and Customer Interaction. Professional consulting and customer support services are also offered through NCR's Retail, Financial and TSG segments. In addition, third-party applications and technologies are incorporated into the solutions and systems NCR provides through its operating segments. NCR's "All other segments" accumulates the revenue and operating income not attributable to the above operating segments as well as unallocated corporate expenses.

As a result of the 1999 restructuring program, NCR will be changing its definition of strategic operating segments and its associated reporting framework for 2000. The new reporting segments in 2000 will be Store Automation, Self Service, Data Warehousing, Systemedia and Other. All of these segments will include hardware, software, professional consulting and customer support services.

The following tables present data for revenue and operating income by industry operating segments for the years ended December 31 (in millions):

	1999	1998	1997
Revenue			
Retail	$1,558	$1,447	$1,373
Financial	2,568	2,888	2,845
Teradata Solutions Group	1,485	1,497	1,562
Systemedia	506	515	510
All other segments	79	158	299
Consolidated revenue	$6,196	$6,505	$6,589
Operating Income (Loss)			
Retail	$ 32	$ (25)	$ (62)
Financial	100	178	151
Teradata Solutions Group	46	(42)	(113)
Systemedia	25	35	43
Unallocated corporate expenses and other segments	-	6	(38)
Restructuring and other special charges	(125)	(50)	-
Consolidated operating income (loss)	$ 78	$ 102	$ (19)

The assets attributable to NCR's industry operating segments consist primarily of accounts receivable, inventories and manufacturing assets dedicated to a specific segment. Operating segment assets at December 31 were (in millions):

	1999	1998	1997
Operating Segment Assets			
Retail	$ 384	$ 464	$ 444
Financial	699	969	874
Teradata Solutions Group	469	578	683
Systemedia	185	192	200
Operating segment assets	1,737	2,203	2,201
Assets not attributable to segments	3,158	2,689	3,175
Consolidated assets	$4,895	$4,892	$ 5,376

Assets not attributable to segments consist primarily of fixed assets not dedicated to a specific segment, prepaid pension costs, cash equivalents and short-term investments.

The following tables present revenue by product and service line and geographic area for NCR for the years ended December 31, 1999, 1998 and 1997. Revenues are attributed to geographic areas/countries based principally upon the geographic area/country to which the product is delivered or in which the service is provided.

Revenue by Product and Service Line

In millions	1999	1998	1997
Store Automation	$ 955	$ 841	$ 828
Self Service	1,097	1,116	1,031
Data Warehousing	735	695	684
Customer Service Maintenance	1,777	1,912	1,759
Systemedia	506	515	510
Other	1,126	1,426	1,777
Consolidated revenue	$6,196	$6,505	$6,589

Revenue by Geographic Area

In millions	1999	1998	1997
United States	$2,655	$2,846	$2,735
Americas (excluding United States)	533	523	476
Europe/Middle East/Africa	1,941	2,046	1,976
Japan	612	687	859
Asia/Pacific (excluding Japan)	455	403	543
Consolidated revenue	$6,196	$6,505	$6,589

The following tables present certain long-lived assets by country at December 31:

Property, Plant and Equipment, Net

In millions	1999	1998	1997
United States	$ 341	$ 366	$ 411
Japan	189	210	130
All other countries	263	296	317
Consolidated property, plant and equipment, net	$ 793	$ 872	$ 858

Reworkable Service Parts, Net

In millions	1999	1998	1997
United States	$ 95	$ 117	$ 137
Japan	16	18	18
All other countries	98	97	93
Consolidated reworkable service parts, net	$ 209	$ 232	$ 248

Concentrations

No single customer accounts for more than 10% of NCR's consolidated revenue. As of December 31, 1999, NCR is not aware of any significant concentration of business transacted with a particular customer that could, if suddenly eliminated, have a material adverse impact on NCR's operations. NCR also does not have a concentration of available sources of labor, services, licenses or other rights that could, if suddenly eliminated, have a material adverse impact on its operations.

A number of NCR's products, systems and solutions rely primarily on specific suppliers for microprocessors and other component products, operating systems, commercial databases and other central components. There can be no assurances that any sudden impact to the availability or cost of these technologies would not have a material adverse impact on NCR's operations.

Inventories are routinely subject to changes in value, resulting from rapid technological change, intense price competition and changes in customer demand patterns. While NCR has provided for estimated declines in the market value of inventories, no estimate can be made of a range of amounts of loss that are reasonably possible under various competitive conditions.

Note 11.
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. NCR believes the amounts provided in its consolidated financial statements, as prescribed by generally accepted accounting principles, are adequate in light of the probable and estimable liabilities. However, there can be no assurances that the actual amounts required to discharge alleged liabilities from various lawsuits, claims, legal proceedings and other matters, including the Fox River matter discussed below, 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 results of operations, financial condition or cash flows. Any amounts of costs that may be incurred in excess of those amounts provided as of December 31, 1999 cannot currently be determined.

Environmental Matters

NCR's facilities and operations are subject to a wide range of environmental protection laws and has investigatory and remedial activities underway at a number of facilities that it currently owns or operates, or formerly owned or operated, to comply, or to determine compliance, with such laws. Also, 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 various state and federal laws, 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.

Various federal agencies, Native American tribes and the State of Wisconsin (Claimants) consider NCR to be a PRP under the FWPCA and CERCLA for alleged natural resource damages (NRD) and remediation liability with respect 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 in part from NCR's former carbonless paper manufacturing in Wisconsin. Claimants have also notified a number of other paper manufacturing companies of their status as PRPs resulting from their ongoing or former paper manufacturing operations in the Fox River Valley, and Claimants have entered into a Memorandum of Agreement among themselves to coordinate their actions, including the assertion of claims against the PRPs. Additionally, the federal NRD Claimants have notified NCR and the other PRPs of their intent to commence a NRD lawsuit, but have not as yet instituted litigation. In addition, one of the Claimants, the United States Environmental Protection Agency (USEPA), has formally proposed the Fox River for inclusion on the CERCLA National Priorities List. In February 1999, the State of Wisconsin made available for public review a draft remedial investigation and feasibility study (RI/FS), which outlines a variety of alternatives for addressing the Fox River sediments. While the draft RI/FS did not advocate any specific alternative or combination of alternatives, the estimated total costs provided in the draft RI/FS ranged from $0 for no action (which appears to be an unlikely choice) to between $143 million and $721 million depending on the alternative selected. In addition, one of the federal NRD claimants has released an interim estimate of alleged losses from lost recreational fishing opportunities of between $106 million and $147 million. NCR, in conjunction with the other PRPs, has developed a substantial body of evidence which it believes should demonstrate that selection of alternatives involving river-wide restoration/remediation, particularly massive dredging, would be inappropriate and unnecessary. However, because there is ongoing debate within the scientific, regulatory, legal, public policy and legislative communities over how to properly manage large areas of contaminated sediments, NCR believes there is a high degree of uncertainty about the appropriate scope of alternatives that may ultimately be required by the Claimants. An accurate estimate of NCR's ultimate share of restoration/remediation and damages liability cannot be made at this time due to uncertainties with respect to: the scope and cost of the potential alternatives; the outcome of further federal and state NRD assessments; the amount of NCR's share of such restoration/remediation expenses; the timing of any restoration/remediation; the evolving nature of restoration/remediation technologies and governmental policies; the contributions from other parties; and the recoveries from insurance carriers and other indemnitors. NCR believes the other currently named PRPs would be required and able to pay substantial shares toward restoration and remediation, and that there are additional parties, some of which have substantial resources, that may also be liable. Further, in 1978 NCR sold the business to which the claims apply, and NCR and the buyer have reached an interim settlement agreement under which the parties are sharing both defense and liability costs.

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 or range of the liability is reasonably estimable. Provisions for estimated losses from environmental restoration and 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. Management expects that the amounts accrued from time to time will be paid out over the period of investigation, negotiation, remediation and restoration for the applicable sites, which may as to the Fox River site be 10 to 20 years or more. 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. Except for the sharing arrangement described above with respect to the Fox River, 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.

Legal Proceedings

NCR was named as one of the defendants in a purported class-action suit filed in November 1996 in Florida alleging liability based on state antitrust and common-law claims of unlawful restraints of trade, monopolization, and unfair business practices related to a purported agreement between Siemens Nixdorf Printing Systems, L.P. and NCR. In January 1999, NCR agreed to settle this suit with plaintiffs for an undisclosed and non-material amount. Preliminary approval of this settlement has been granted by the court, but final approval by the parties to the litigation and the court is still pending.

Note 12.
Leases

NCR conducts certain of its sales and manufacturing operations using leased facilities, the initial lease terms of which vary in length. Many of the leases contain renewal options and escalation clauses. Future minimum lease payments under noncancelable leases as of December 31, 1999 were:

In millions	2000	2001	2002	2003	2004	Later Years	Total
Operating leases	$ 53	$ 39	$ 28	$ 21	$ 12	$37	$ 190

Total rental expense for operating leases was $99 million, $76 million and $81 million in 1999, 1998 and 1997, respectively.

Note 13.
Quarterly Information (Unaudited)

In millions, except per share amounts	First	Second 1	Third 2	Fourth 3,4	Total
1999					
Total revenues	$1,333	$1,572	$1,530	$1,761	$6,196
Gross margin	383	497	463	541	1,884
Net income	3	46	53	235	337
Net income per share:					
Basic	$ 0.03	$ 0.47	$ 0.54	$ 2.47	$ 3.45
Diluted	0.03	0.45	0.53	2.44	3.35
1998					
Total revenues	$1,309	$1,574	$1,555	$2,067	$6,505
Gross margin	354	472	461	635	1,922
Net income	-	48	25	49	122
Net income per share:					
Basic	$ 0.0	$ 0.47	$ 0.25	$ 0.50	$ 1.21
Diluted	0.0	0.46	0.25	0.49	1.20

1 In the second quarter of 1998, NCR recognized a $55 million pre-tax gain on the sale of its TOP END(R) middleware technology and products family.

2 In the third quarter of 1999, net income includes a pre-tax gain of $21 million from the sale of real estate in Madrid, Spain.

3 In the fourth quarter of 1999, NCR recognized $125 million pre-tax expense related to restructuring and other related charges as more fully explained in Note 3. Also, in the fourth quarter of 1999, NCR released U.S. deferred tax valuation allowances of $232 million as more fully explained in Note 4. In addition, net income includes a pre-tax gain of $77 million from the sale of real estate in Akasaka, Japan.

4 In the fourth quarter of 1998, NCR recognized a $50 million pre-tax loss on the settlement of pension benefit obligations relating to a reduction in workforce of the Company's Japanese subsidiary.

EXHIBIT 21

SUBSIDIARIES OF NCR CORPORATION

	Organized under the Laws of
Compris Technologies, Inc.	Georgia
Data Pathing Incorporated	Delaware
Gasper Corporation	Ohio
International Investments Inc.	Delaware
The Microcard Corporation	Delaware
The National Cash Register Company	Maryland
NCR Autotec Inc.	Delaware
NCR European Logistics, Inc.	Delaware
The NCR Foundation	Ohio
NCR Government Systems Corporation	Delaware
NCR International, Inc.	Delaware
NCR Ivory Coast, Inc.	Delaware
NCR Overseas Trade Corporation	Delaware
NCR Personnel Services Inc.	Delaware
NCR Scholarship Foundation	Ohio
North American Research Corporation	Delaware
Old River Software Inc.	Delaware
The Permond Solutions Group, Inc.	Delaware
Quantor Corporation	Delaware
Sparks, Inc.	Ohio
Teradata Corporation	Delaware
Teradata International Corporation	Delaware
NCR Argentina S.A.	Argentina
NCR Australia Pty. Limited	Australia
NCR Superannuation Nominees, Ltd.	Australia
NCR Oesterreich Ges.m.b.H.	Austria
NCR (Bahrain) W.L.L.	Bahrain
NCR Belgium & Co.	Belgium
NCR (Bermuda) Limited	Bermuda
NCR Services Limited	Bermuda
Global Assurance Limited	Bermuda
NCR Brasil Ltda	Brazil
NCR Monydata Ltda.	Brazil
NCR Canada Ltd.	Canada
The Permond Solutions Group Limited	Canada
NCR de Chile, S.A.	Chile
NCR (Shanghai) Technology Services Ltd.	China
NCR Colombia S.A.	Colombia
NCR (Cyprus) Limited	Cyprus
NCR (Middle East) Limited	Cyprus

NCR (North Africa) Limited	Cyprus
NCR (IRI) Ltd.	Cyprus
NCR Danmark A/S	Denmark
NCR Dominicana C. por A.	Dominican Republic
NCR Finland Oy	Finland
NCR France SNC	France
NCR Antilles S.A.R.L.	France
NCR Gabon S.A.R.L.	Gabon
NCR Holding GmbH	Germany
NCR GmbH	Germany
NCR OEM Europe GmbH	Germany
NCR Central and Eastern Europe GmbH	Germany
NCR Czeska republika spol. s.r.o.	Czech Republic
NCR Ghana Limited	Ghana
NCR (Hellas) S.A.	Greece
NCR Foreign Sales Corporation	Guam
NCR (Hong Kong) Limited	Hong Kong
NCR (China) Limited	Hong Kong
NCR (Asia) Limited	Hong Kong
NCR Asia Pacific Logistics Center Limited	Hong Kong
NCR Magyarorszag Kft.	Hungary
NCR Corporation India Private Limited	India
P. T. NCR Rencana	Indonesia
NCR Italia S.p.A.	Italy
NCR Japan, Ltd.	Japan
NCR Japan Sales Co., Ltd.	Japan
NCR Holdings Ltd.	Japan
NCR (Kenya) Limited	Kenya
Afrique Investments Ltd.	Kenya
Data Processing Printing and Supplies Limited	Kenya
NCR Korea Co., Ltd.	Korea
NCR (Macau) Limited	Macau
NCR (Malaysia) Sdn. Bhd.	Malaysia
EPNCR (Malaysia) Sdn. Bhd.	Malaysia
Compu Search Sdn Bhd	Malaysia
NCR de Mexico, S.A. de C.V.	Mexico
NCR Nederland N.V.	Netherlands
NCR European Logistics Center BV	Netherlands
NCR EMEA Regional Care Center B.V.	Netherlands
NCR Financial Shared Services Center B.V.	Netherlands
NCR (NZ) Limited	New Zealand
NCR (Nigeria) PLC	Nigeria
NCR Norge A/S	Norway
NCR Corporation de Centro-America, S.A.	Panama
NCR Corporation de Panama, S.A.	Panama
NCR del Peru S.A.	Peru
NCR Corporation (Philippines)	Philippines
NCR Software Corporation (Philippines)	Philippines

NCR Polska Sp.z.o.o.	Poland
NCR Portugal-Informatica, Lda	Portugal
NCR Corporation of Puerto Rico	Puerto Rico
NCR A/O	Russia
NCR Singapore Pte Ltd	Singapore
NCR Asia Pacific Pte Ltd.	Singapore
NCR International (South Africa) (Pty) Ltd.	South Africa
NCR Espana, S.A.	Spain
NCR (Switzerland)	Switzerland
National Registrierkassen AG	Switzerland
NCR Systems Taiwan Limited	Taiwan
NCR Taiwan Software Ltd	Taiwan
NCR (Thailand) Limited	Thailand
NCR Bilisim Sistemleri, A.S.	Turkey
NCR UK Group Limited	United Kingdom
NCR Limited	United Kingdom
NCR Properties Limited	United Kingdom
NCR Financial Solutions Group Limited	United Kingdom
Regis Court Management Limited	United Kingdom
Melcombe Court Management (Marylebone) Limited	United Kingdom
NCR (Zambia) Ltd.	Zambia
NCR Zimbabwe (Private) Limited	Zimbabwe
N Timms & Co. (Private) Limited	Zimbabwe

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to incorporation by reference in the Registration Statements on Form S-8 (nos. 333-18797, 333-18799, 333-18801 and 333-18803) of NCR Corporation of our report dated February 8, 2000 appearing on Page 51 of the Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears in the Form 10-K.

PricewaterhouseCoopers LLP

Dayton, Ohio
March 8, 2000

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FORM THE CONSOLIDATED BALANCE SHEETS OF NCR CORPORATION AT DECEMBER 31, 1999 AND 1998 AND THE CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

YEAR	YEAR
DEC-31-1999	DEC-31-1998
JAN-01-1999	JAN-01-1998
DEC-31-1999	DEC-31-1998
571	488
192	26
1,228	1,603
31	47
299	384
2,541	2,632
2,011	2,215
1,218	1,343
4,895	4,892
1,662	1,700
40	33
0	0
0	0
1	1
1,595	1,446
4,895	4,892
3,289	3,641
6,196	6,505
2,109	2,380
4,312	4,583
1,806	1,820
7	26
12	13
235	212
(102)	90
337	122
0	0
0	0
0	0
337	122
3.45	1.21
3.35	1.20