

Q1 2015 EARNINGS CONFERENCE CALL

BILL NUTI, CHAIRMAN AND CEO
BOB FISHMAN, CFO

April 28, 2015



NOTES TO INVESTORS

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

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

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

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



Q1 2015 FINANCIAL RESULTS

REVENUE



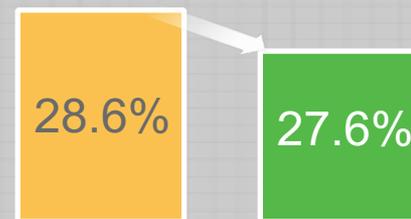
FX Impact
~(\$95M)

Q1 2014

Q1 2015

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

OPERATIONAL GROSS MARGIN



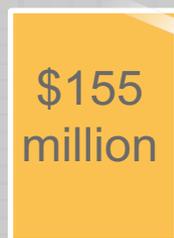
FX Impact
~(25 bps)

Q1 2014

Q1 2015

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

NPOI

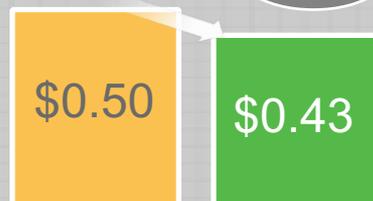


FX Impact
~(\$18M)

Q1 2014

Q1 2015

NON-GAAP EPS



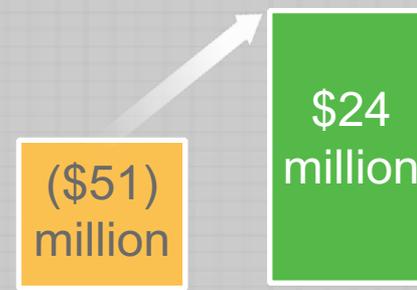
FX Impact
~(\$0.08)

Q1 2014

Q1 2015

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

FREE CASH FLOW



Q1 2014

Q1 2015

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

SOFTWARE-RELATED REVENUE GROWTH

Q1

Professional Services
Cloud
SW Licenses & SW Maintenance

Fx Impact
~(\$15M)



- Q1 Software-related revenue up 5% y/y; up 9% CC

Q1 Cloud revenue up 19% y/y; up 20% CC

- Q1 Professional Services revenue down 3% y/y; up 3% CC

NCR Kalpana is here! Making omni-channel a reality

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

TECH 4/08/2015 @ 4:04PM 1,386 views

NCR Launches Android-Based Thin Client ATMs

एचआर खान ने देना बैंक की सेल्फ सर्विस ई-स्मार्ट सुविधा किसी भी बैंक मशीन से पैसा डाल

किसी भी बैंक मशीन से पैसा डाल

एचआर खान ने देना बैंक की सेल्फ सर्विस ई-स्मार्ट सुविधा

Forbes

वैटकीम साथे बैंकिंग क्षेत्रे व्यापक परिवर्तन आये

वैटकीम साथे बैंकिंग क्षेत्रे व्यापक परिवर्तन आये

move ATM operations to a global player in core technologies, has launched an enterprise software that moves ATM software and to the cloud. Kalpana software runs ATMs remotely, and is designed to allow and enable rapid of new devices and ATM S is expected to reduce cost.

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

NCR Aims to Eliminate the Pain of ATM Updates

Mumbai, April 13 - ATM and service provider NCR Corporation introduced a cloud and Android-based self-service software for better transaction. NCR aims to eliminate the pain of ATM updates by offering a secure cloud-based software platform. The company said after launching the software, the US-based ATMs are expected to reduce costs by up to 28 per cent globally.

NCR Launches Secure Cloud-Based ATM Software Platform

NCR Corporation, the global leader in consumer transaction technologies, has launched Kalpana software, an enterprise software platform that moves ATM software and operations to the cloud. Kalpana software runs ATMs remotely, initially through a thin client, and is designed to eliminate malware, enable rapid deployment of new devices and ATM services, reduce costs by up to 40%.

THE ECONOMIC TIMES

NCR launches Kalpana software

MUMBAI: NCR Corporation has launched software, an enterprise software platform that runs ATMs remotely, initially through a thin client, and is designed to eliminate malware, enable rapid deployment of new devices and ATM services, reduce costs by up to 40%.

NCR bets big on India

Benny Antony

MUMBAI: NYSE listed NCR, the global leader in consumer transaction technologies, plans to further expand its offering in India.

वलाउड बैक एटीएम सोल्यूशंस

एनसीआर ने एटीएम सॉल्यूशंस को शुरूआत की। केंज्युमर ट्रांजेक्शन कॉर्पोरेशन ने एटीएम सॉफ्टवेयर प्लेटफॉर्म को शुरूआत की है।



SAVINGS

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

SPEED

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

SECURITY

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

INTEGRATION

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

NCR Splits management of ATMs into Private Clouds

वैटकीम इंफ्रास्ट्रक्चर का प्राधान्य

वैटकीम इंफ्रास्ट्रक्चर का प्राधान्य

Q1 2015 SUMMARY

Q1 results in-line with expectations

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

Financial Services – strong demand for omni-channel solutions

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

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

Growth of software and cloud revenues

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

Building a stronger NCR

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

Free cash flow increased \$75 million

Q1 OPERATIONAL RESULTS

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

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

\$ millions, except per share amounts

Q1 GAAP RESULTS

For the Three Months Ended March 31

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

\$ millions, except per share amounts

FINANCIAL SERVICES

Q1 2015 Update



Financial Results

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

Key Metrics

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

Key Market Developments

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

RETAIL SOLUTIONS

Q1 2015 Update



Financial Results

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

Key Metrics

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

Key Market Developments

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

HOSPITALITY

Q1 2015 Update



Financial Results

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

Key Metrics

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

Key Market Developments

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

EMERGING INDUSTRIES

Q1 2015 Update



Financial Results

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

Key Metrics

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

Key Market Developments

Telecom & Technology

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

Travel

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

Small Business (NCR Silver)

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

Q1 SUPPLEMENTAL REVENUE INFORMATION

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

\$ millions

FREE CASH FLOW

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

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

\$ millions, except metrics

RESTRUCTURING PROGRESS UPDATE

Expected Savings

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

GAAP Income Statement Impact

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

Cash Impact

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

NET DEBT & EBITDA METRICS

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

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

\$ in millions, except metrics

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

FY 2015 GUIDANCE

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

\$ in millions, except per share amounts

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

2015 SEGMENT REVENUE GUIDANCE

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

\$ in millions

Q2 2015 GUIDANCE

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

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

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

\$ millions

SUPPLEMENTARY
NON-GAAP MATERIALS

NON-GAAP MEASURES

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

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

Free Cash Flow. NCR defines free cash flow as net cash provided by/used in operating activities and cash flow provided by/used in discontinued operations less capital expenditures for property, plant and equipment, additions to capitalized software, discretionary pension contributions and settlements. NCR's management uses free cash flow to assess the financial performance of the Company and believes it is useful for investors because it relates the operating cash flow of the Company to the capital that is spent to continue and improve business operations. In particular, free cash flow indicates the amount of cash generated after capital expenditures which can be used for, among other things, investment in the Company's existing businesses, strategic acquisitions, strengthening the Company's balance sheet, repurchase of Company stock and repayment of the Company's debt obligations. Free cash flow does not represent the residual cash flow available for discretionary expenditures since there may be other nondiscretionary expenditures that are not deducted from the measure. Free cash flow (FCF) do not have uniform definitions under GAAP and, therefore, NCR's definition may differ from other companies' definition of this measure.

NON-GAAP MEASURES

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

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

NCR management's definitions and calculations of these non-GAAP measures may differ from similarly-titled measures reported by other companies and cannot, therefore, be compared with similarly-titled measures of other companies. These non-GAAP measures should not be considered as substitutes for, or superior to, results determined in accordance with GAAP. These non-GAAP measures are reconciled to their corresponding GAAP measures in the following slides and elsewhere in these materials. These reconciliations and other information regarding these non-GAAP measures are also available on the Investor Relations page of NCR's website at www.ncr.com.

GAAP TO NON-GAAP RECONCILIATION

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

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

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

GAAP TO NON-GAAP RECONCILIATION

Q1 2015 QTD

in millions (except per share amounts)

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

GAAP TO NON-GAAP RECONCILIATION

Q1 2014 QTD

in millions (except per share amounts)

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

GAAP TO NON-GAAP RECONCILIATION

Q2 2014 QTD

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

GAAP TO NON-GAAP RECONCILIATION

FY 2014

in millions (except per share amounts)

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

GAAP TO NON-GAAP RECONCILIATION

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

FY 2015e

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

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

GAAP TO NON-GAAP RECONCILIATION

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

Q1 2015

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

GAAP TO NON-GAAP RECONCILIATION

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

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

GAAP TO NON-GAAP RECONCILIATION

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

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

GAAP TO NON-GAAP RECONCILIATION

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

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

