

For the period ended

| | June 30 (in millions) | | | |
|--|--------------------------|-------|------------|-------|
| | Three Months | | Six Months | |
| | 2007 | 2006 | 2007 | 2006 |
| Cash provided by operating activities (GAAP) | \$82 | \$134 | \$233 | \$146 |
| Less capital expenditures for: | | | | |
| Expenditures for property, plant and equipment | (16) | (23) | (45) | (38) |
| Additions to capitalized software | (30) | (24) | (54) | (44) |
| Total capital expenditures | (46) | (47) | (99) | (82) |
| Free cash flow (non-GAAP measure) (3) | \$36 | \$87 | \$134 | \$64 |

| Previous 2007 | Revised 2007 | Guidance | Guidance |
|---|--------------|-----------------|-----------------|
| Year-over-year revenue growth: | | | |
| Total NCR | | 3 - 4 % | 4 - 5 % |
| Teradata Data Warehousing | | 7 - 9 % | 7 - 9 % |
| Financial Self Service (ATMs) | | 3 - 4 % | 5 - 7 % |
| Retail Store Automation | | 4 - 5 % | 4 - 5 % |
| Customer Services | | 2 - 3 % | 3 - 4 % |
| Earnings per share - GAAP | | \$2.28 - \$2.38 | \$2.21 - \$2.31 |
| Non-GAAP (does not include special items) (1) | | \$2.50 - \$2.60 | \$2.55 - \$2.65 |

Reconciliation of GAAP to Non-GAAP Measures (1)

| | Q2 2007 Actual | Q2 2006 Actual | FY 2007 Guidance |
|--|-------------------|-------------------|---------------------|
| Diluted Earnings Per Share (GAAP) | \$0.54 | \$0.42 | \$2.21-\$2.31 |
| Manufacturing realignment costs, net | 0.05 | - | (0.16) |
| Strategic separation charges - Teradata spin off | (0.04) | - | (0.06) |
| Fox River environmental matter | (0.02) | - | (0.02) |
| Tax adjustment | (0.10) | - | (0.10) |
| Adjusted Diluted Earnings Per Share (Non-GAAP) (1) | \$0.65 | \$0.42 | \$2.55-\$2.65 |

(1) NCR's management looks at the company's results excluding certain items to assess the financial performance of the company and believes this information is useful for investors because it provides a more complete understanding of NCR's underlying operational performance, as well as consistency and comparability with past reports of financial results. In addition, management uses earnings per share excluding these items to manage and determine effectiveness of its business managers and as a basis for incentive compensation. These non-GAAP measures should not be considered as substitutes for or superior to results determined in accordance with GAAP.

(2) The operating segment results discussed in this earnings

release exclude the impact of \$11 million of pension expense in the second quarter of 2007, and \$35 million of pension expense in the second quarter of 2006. In addition, the operating segment results for the second quarter of 2007 excluded \$1 million of manufacturing realignment and strategic separation costs. When evaluating the year-over-year performance of and making decisions regarding its operating segments, NCR excludes the effect of pension expense/income and certain non-operational items. Schedule B, included in this earnings release, reconciles total income from operations excluding pension expense/income and certain non-operational items for all of the company's operating segments to "Total income from operations" for the company.

(3) NCR defines free cash flow as cash provided/used by operating activities less capital expenditures for property, plant and equipment, and additions to capitalized software. Free cash flow does not have a uniform definition under GAAP and therefore, NCR's definition may differ from other companies' definition of this measure. 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 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. This non-GAAP measure should not be considered a substitute for or superior to cash flows from operating activities under GAAP.

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

| | For the Periods Ended June 30 | | | |
|--------------------|-------------------------------|-------|------------|---------|
| | Three Months | | Six Months | |
| | 2007 | 2006 | 2007 | 2006 |
| Revenue | | | | |
| Products | \$850 | \$805 | \$1,515 | \$1,442 |
| Services | 759 | 726 | 1,440 | 1,372 |
| Total revenue | 1,609 | 1,531 | 2,955 | 2,814 |
| Cost of products | 531 | 534 | 1,007 | 936 |
| Cost of services | 579 | 572 | 1,106 | 1,101 |
| Total gross margin | 499 | 425 | 842 | 777 |
| % of Revenue | 31.0% | 27.8% | 28.5% | 27.6% |

| | | | | |
|--|--------|--------|--------|--------|
| Selling, general and administrative expenses | 283 | 264 | 528 | 509 |
| Research and development expenses | 60 | 58 | 116 | 118 |
| | ----- | ----- | ----- | ----- |
| Income from operations | 156 | 103 | 198 | 150 |
| % of Revenue | 9.7% | 6.7% | 6.7% | 5.3% |
| Interest expense | 6 | 6 | 12 | 12 |
| Other income, net | (7) | (5) | (16) | (14) |
| | ----- | ----- | ----- | ----- |
| Total other (income) expense, net | (1) | 1 | (4) | (2) |
| Income before income taxes | 157 | 102 | 202 | 152 |
| % of Revenue | 9.8% | 6.7% | 6.8% | 5.4% |
| Income tax expense | 59 | 24 | 70 | 33 |
| | ----- | ----- | ----- | ----- |
| Net income | \$98 | \$78 | \$132 | \$119 |
| | ===== | ===== | ===== | ===== |
| % of Revenue | 6.1% | 5.1% | 4.5% | 4.2% |
| Net income per common share | | | | |
| Basic | \$0.54 | \$0.43 | \$0.73 | \$0.66 |
| | ===== | ===== | ===== | ===== |
| Diluted | \$0.54 | \$0.42 | \$0.72 | \$0.64 |
| | ===== | ===== | ===== | ===== |
| Weighted average common shares outstanding | | | | |
| Basic | 180.1 | 181.1 | 179.7 | 181.4 |
| Diluted | 182.8 | 184.2 | 182.4 | 184.6 |

NCR CORPORATION
CONSOLIDATED REVENUE and OPERATING INCOME (LOSS) SUMMARY
(Unaudited)
(in millions)

| | For the Periods Ended June 30 | | | | | |
|--|-------------------------------|-------|----------|------------|-------|----------|
| | Three Months | | | Six Months | | |
| | 2007 | 2006 | % Change | 2007 | 2006 | % Change |
| | ----- | ----- | | ----- | ----- | |
| Revenue by segment | | | | | | |
| Teradata Data Warehousing solution | \$343 | \$313 | 10% | \$615 | \$560 | 10% |
| Teradata Data Warehousing support services | 90 | 86 | 5% | 176 | 165 | 7% |
| | ----- | ----- | | ----- | ----- | |
| Total Teradata Data Warehousing | 433 | 399 | 9% | 791 | 725 | 9% |
| Financial Self Service (ATMs) | 380 | 343 | 11% | 692 | 602 | 15% |
| Retail Store Automation | 221 | 221 | - | 376 | 393 | (4%) |

| | | | | | | |
|-------------------------|---------|---------|-------|---------|---------|-------|
| Customer Services | | | | | | |
| Customer Service | | | | | | |
| Maintenance: | | | | | | |
| Financial Self | | | | | | |
| Service | 181 | 167 | 8% | 351 | 322 | 9% |
| Retail Store | | | | | | |
| Automation | 123 | 117 | 5% | 244 | 233 | 5% |
| Payment & Imaging | | | | | | |
| and Other | 30 | 32 | (6%) | 60 | 62 | (3%) |
| Third-Party | | | | | | |
| Products and | | | | | | |
| Exited Businesses | 57 | 67 | (15%) | 111 | 126 | (12%) |
| | ----- | ----- | | ----- | ----- | |
| Total Customer | | | | | | |
| Services | | | | | | |
| Maintenance | 391 | 383 | 2% | 766 | 743 | 3% |
| Third-Party Product | | | | | | |
| Sales | 11 | 8 | 38% | 19 | 16 | 19% |
| Professional and | | | | | | |
| installation- | | | | | | |
| related services | 69 | 66 | 5% | 123 | 117 | 5% |
| | ----- | ----- | | ----- | ----- | |
| Total Customer | | | | | | |
| Services | 471 | 457 | 3% | 908 | 876 | 4% |
| Systemedia | 114 | 120 | (5%) | 208 | 221 | (6%) |
| Payment & Imaging and | | | | | | |
| Other | 36 | 37 | (3%) | 64 | 76 | (16%) |
| Elimination of | | | | | | |
| installation-related | | | | | | |
| services revenue | | | | | | |
| included in both the | | | | | | |
| Customer Services | | | | | | |
| segment and other | | | | | | |
| segments | (46) | (46) | - | (84) | (79) | 6% |
| | ----- | ----- | | ----- | ----- | |
| | | | - | | | |
| Total revenue | \$1,609 | \$1,531 | 5% | \$2,955 | \$2,814 | 5% |
| | ===== | ===== | | ===== | ===== | |
| Operating income (loss) | | | | | | |
| by segment | | | | | | |
| Teradata Data | | | | | | |
| Warehousing | \$92 | \$86 | | \$157 | \$153 | |
| Financial Self Service | | | | | | |
| (ATMs) | 47 | 31 | | 75 | 44 | |
| Retail Store | | | | | | |
| Automation | 8 | 8 | | (2) | 1 | |
| Customer Services | 29 | 25 | | 57 | 45 | |
| Systemedia | 4 | 1 | | 6 | 1 | |
| Payment & Imaging and | | | | | | |
| Other | - | (1) | | (3) | 5 | |
| Elimination of | | | | | | |
| installation-related | | | | | | |
| services operating | | | | | | |
| income included in | | | | | | |
| both the Customer | | | | | | |
| Services segment and | | | | | | |
| other segments | (12) | (12) | | (21) | (20) | |
| | ----- | ----- | | ----- | ----- | |
| Subtotal - Segment | | | | | | |
| operating income | 168 | 138 | | 269 | 229 | |
| Pension expense | (11) | (35) | | (22) | (79) | |

| | | | | |
|------------------------------|-------|-------|-------|-------|
| Other adjustments (1) | (1) | - | (49) | - |
| | ----- | ----- | ----- | ----- |
| Total income from operations | \$156 | \$103 | \$198 | \$150 |
| | ===== | ===== | ===== | ===== |

(1) Includes manufacturing realignment and spin-off charges.

NCR CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in millions)

| | June 30 2007 | March 31 2007 | December 31 2006 |
|--|-----------------|------------------|---------------------|
| | ----- | ----- | ----- |
| Assets | | | |
| ----- | | | |
| Current assets | | | |
| Cash and cash equivalents | \$1,139 | \$1,080 | \$947 |
| Accounts receivable, net | 1,385 | 1,324 | 1,408 |
| Inventories, net | 739 | 717 | 677 |
| Other current assets | 343 | 325 | 300 |
| | ----- | ----- | ----- |
| Total current assets | 3,606 | 3,446 | 3,332 |
| Property, plant and equipment, net | 370 | 375 | 378 |
| Goodwill | 148 | 150 | 150 |
| Prepaid pension cost | 727 | 674 | 639 |
| Deferred income taxes | 336 | 372 | 374 |
| Other assets | 428 | 402 | 354 |
| | ----- | ----- | ----- |
| Total assets | \$5,615 | \$5,419 | \$5,227 |
| | ===== | ===== | ===== |
| Liabilities and stockholders' equity | | | |
| ----- | | | |
| Current liabilities | | | |
| Short-term borrowings | \$1 | \$1 | \$1 |
| Accounts payable | 516 | 493 | 534 |
| Payroll and benefits liabilities | 248 | 236 | 291 |
| Deferred service revenue and customer deposits | 556 | 590 | 492 |
| Other current liabilities | 515 | 501 | 452 |
| | ----- | ----- | ----- |
| Total current liabilities | 1,836 | 1,821 | 1,770 |
| Long-term debt | 306 | 306 | 306 |
| Pension and indemnity plan liabilities | 477 | 481 | 481 |
| Postretirement and postemployment benefits liabilities | 448 | 461 | 463 |
| Deferred income taxes | 42 | 38 | 27 |
| Income tax accruals | 168 | 166 | 132 |
| Other liabilities | 174 | 147 | 147 |
| Minority interests | 17 | 18 | 20 |
| | ----- | ----- | ----- |
| Total liabilities | 3,468 | 3,438 | 3,346 |
| Stockholders' equity | | | |
| Preferred stock: par value \$0.01 per | | | |

| | | | |
|--|---------|---------|---------|
| share, 100.0 shares authorized, no shares issued and outstanding at June 30, 2007, March 31, 2007 and December 31, 2006, respectively | - | - | - |
| Common stock: par value \$0.01 per share, 500.0 shares authorized, 180.5, 179.7 and 178.9 shares issued and outstanding at June 30, 2007, March 31, 2007 and December 31, 2006, respectively | 2 | 2 | 2 |
| Paid-in capital | 720 | 687 | 655 |
| Retained earnings | 2,032 | 1,941 | 1,900 |
| Accumulated other comprehensive loss | (607) | (649) | (676) |
| | ----- | ----- | ----- |
| Total stockholders' equity | 2,147 | 1,981 | 1,881 |
| | ----- | ----- | ----- |
| Total liabilities and stockholders' equity | \$5,615 | \$5,419 | \$5,227 |
| | ===== | ===== | ===== |

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

| | For the Periods Ended June 30 | | | |
|---|-------------------------------|-------|------------|-------|
| | Three Months | | Six Months | |
| | 2007 | 2006 | 2007 | 2006 |
| | ----- | ----- | ----- | ----- |
| Operating activities | | | | |
| Net income | \$98 | \$78 | \$132 | \$119 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 44 | 39 | 87 | 78 |
| Stock-based compensation expense | 8 | 7 | 16 | 14 |
| Excess tax benefit from stock-based compensation | (4) | (4) | (8) | (12) |
| Deferred income taxes | 31 | 16 | 41 | 18 |
| Other adjustments to income, net | - | - | (4) | (1) |
| Changes in assets and liabilities: | | | | |
| Receivables | (61) | (9) | 23 | 4 |
| Inventories | (22) | (30) | (62) | (65) |
| Current payables and accrued expenses | 44 | 50 | (59) | (67) |
| Deferred service revenue and customer deposits | (35) | (34) | 64 | 50 |
| Employee severance and pension | (33) | 13 | (3) | 34 |
| Other assets and liabilities | 12 | 8 | 6 | (26) |
| | ----- | ----- | ----- | ----- |
| Net cash provided by operating activities | 82 | 134 | 233 | 146 |
| Investing activities | | | | |
| Expenditures for property, plant and equipment | (16) | (23) | (45) | (38) |
| Proceeds from sales of property, plant and equipment | - | 1 | 11 | 12 |
| Additions to capitalized software | (30) | (24) | (54) | (44) |
| Other investing activities, business acquisitions and divestitures, net | (4) | (16) | (4) | (31) |
| | ----- | ----- | ----- | ----- |

| | | | | |
|--|---------|-------|---------|-------|
| Net cash used in investing activities | (50) | (62) | (92) | (101) |
| Financing activities | | | | |
| Purchase of Company common stock | - | (98) | - | (186) |
| Excess tax benefit from stock-based compensation | 4 | 4 | 8 | 12 |
| Short-term borrowings, additions | (1) | - | (1) | - |
| Proceeds from employee stock plans | 18 | 21 | 36 | 61 |
| Other financing activities, net | 1 | - | 1 | - |
| | ----- | ----- | ----- | ----- |
| Net cash provided by (used in) financing activities | 22 | (73) | 44 | (113) |
| Effect of exchange rate changes on cash and cash equivalents | 5 | 2 | 7 | 5 |
| | ----- | ----- | ----- | ----- |
| Increase (decrease) in cash and cash equivalents | 59 | 1 | 192 | (63) |
| Cash and cash equivalents at beginning of period | 1,080 | 746 | 947 | 810 |
| | ----- | ----- | ----- | ----- |
| Cash and cash equivalents at end of period | \$1,139 | \$747 | \$1,139 | \$747 |