

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

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (date of earliest event reported): July 1, 2016**

**TERADATA CORPORATION**

(Exact name of registrant as specified in its charter)

**Commission File Number 001-33458**

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**75-3236470**

(I.R.S. Employer  
Identification No.)

**10000 Innovation Drive  
Dayton, Ohio 45342**

(Address of principal executive offices and zip code)

**Registrant's telephone number, including area code: (866) 548-8348**

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 2.01 Completion of Acquisition or Disposition of Assets.**

On April 25, 2016, Teradata Corporation (“Teradata” or the “Company”) filed a Current Report on Form 8-K/A updating the estimates for the Company’s plan to realign Teradata’s business by reducing its cost structure and focusing on the Company’s core Data and Analytics business. This business transformation includes exiting the Marketing Applications business and rationalizing costs.

On July 1, 2016, pursuant to the Asset Purchase Agreement, dated as of April 22, 2016 (the “Purchase Agreement”), by and between Teradata and TMA Solutions, L.P., a Cayman Islands exempted limited partnership and affiliate of Marlin Equity Partners (“Buyer”), Teradata completed the previously announced sale of Teradata’s marketing applications business (the “TMA Business”) to Buyer. The purchase price received for the TMA Business was approximately \$90 million in cash, subject to a post-closing adjustment for working capital, debt and other metrics, which is currently estimated at \$92 million. In connection with the closing of the transaction, the parties have entered into a transition services agreement, pursuant to which Teradata will provide certain services to Buyer, including accounting, human resources, order processing and invoicing and information technology services for a service period of up to 15 months after the closing of the transaction. The foregoing description of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Purchase Agreement, which was filed as Exhibit 2.1 to the Company’s Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on April 25, 2016.

The Company's pro forma financial information giving effect to the divestiture of the TMA Business is attached as Exhibit 99.1.

## **Item 9.01 Financial Statements and Exhibits.**

### **(b) Pro Forma Financial Information**

The following unaudited pro forma condensed consolidated financial statements are attached as Exhibit 99.1 and are incorporated herein by reference.

- Unaudited pro forma condensed consolidated statements of (loss) income for the three months ended March 31, 2016 and the year ended December 31, 2015.
- Unaudited pro forma condensed consolidated balance sheet as of March 31, 2016.
- Notes to the unaudited pro forma condensed consolidated financial statements.

### **(d) Exhibits:**

The following exhibits are attached with this current report on Form 8-K:

<b>Exhibit No.</b>	<b>Description</b>
99.1	Unaudited pro forma condensed consolidated financial information.

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## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### **TERADATA CORPORATION**

Date: July 1, 2016

By: /s/ Stephen M. Scheppmann

Stephen M. Scheppmann

Executive Vice President and Chief Financial Officer

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## Index to Exhibits

Exhibit No.	Description
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99.1	Unaudited pro forma condensed consolidated financial information.
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**Teradata Corporation**  
**Unaudited Pro Forma Condensed Consolidated Financial Information**

**Overview**

On April 25, 2016, Teradata Corporation (“Teradata” or the “Company”) filed a Current Report on Form 8-K/A updating the estimates for the Company’s plan to realign Teradata’s business by reducing its cost structure and focusing on the Company’s core Data and Analytics business. This business transformation includes exiting the Marketing Applications business and rationalizing costs.

On July 1, 2016, pursuant to the Asset Purchase Agreement, dated as of April 22, 2016 (the “Purchase Agreement”), by and between Teradata and TMA Solutions, L.P., a Cayman Islands exempted limited partnership and affiliate of Marlin Equity Partners (“Buyer”), Teradata completed the previously announced sale of Teradata’s marketing applications business (the “TMA Business”) to Buyer. The purchase price received for the TMA Business was approximately \$90 million in cash, subject to a post-closing adjustment for working capital, debt and other metrics, which is currently estimated at \$92 million. In connection with the closing of the transaction, the parties have entered into a transition services agreement, pursuant to which Teradata will provide certain services to Buyer, including accounting, human resources, order processing and invoicing and information technology services for a service period of up to 15 months after the closing of the transaction. The foregoing description of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Purchase Agreement, which was filed as Exhibit 2.1 to the Company’s Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on April 25, 2016.

**Basis of Presentation**

The unaudited pro forma condensed consolidated financial statements reflect adjustments to Teradata’s historical financial results as reported under the U.S. Generally Accepted Accounting Principles ("GAAP") in connection with the sale of the TMA Business. The following unaudited pro forma condensed consolidated statements of (loss) income for the three months ended March 31, 2016 and the year ended December 31, 2015 give effect to the divestiture as if it occurred on January 1, 2015, the beginning of the earliest period presented. The unaudited pro forma condensed consolidated balance sheet gives effect to the divestiture as if it occurred as of March 31, 2016, our latest balance sheet date provided in our public filings. The pro forma adjustments are described in the accompanying notes to the unaudited pro forma condensed consolidated financial statements.

The unaudited pro forma condensed consolidated financial statements are being provided for information purposes only and are not necessarily indicative of the results of operations or financial position that would have resulted if the divestiture had actually occurred on the date indicated and are not intended to project the Company’s results of operations or financial position for any future period. The pro forma adjustments are based on available information and assumptions that the Company believes are directly attributable to the sale, are factually supportable, and with respect to the statement of operations, have continuing impact on the consolidated results. The unaudited pro forma condensed consolidated financial statements and the accompanying notes should be read in conjunction with the consolidated financial statements and notes thereto included in Teradata’s most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.

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**Teradata Corporation**  
**Unaudited Pro Forma Condensed Consolidated Statement of (Loss) Income**  
**For the Three Months Ended March 31, 2016**

	GAAP	Pro Forma		
	As reported	Adjustments (a)	Notes	Pro forma
<b>(in millions, except per share amounts)</b>				
<b>Revenue</b>				
Product revenue	\$ 194	\$ (6)	(b)	\$ 188
Service revenue	351	(28)	(b)	323
<b>Total revenue</b>	<b>545</b>	<b>(34)</b>		<b>511</b>
<b>Costs and operating expenses</b>				
Cost of products	78	—		78
Cost of services	198	(19)	(b)	179
Selling, general and administrative expenses	174	(23)	(b)	151
Research and development expenses	57	(12)	(b)	45
Impairment of goodwill and acquired intangibles	80	(76)	(b)	4
<b>Total costs and operating expenses</b>	<b>587</b>	<b>(130)</b>		<b>457</b>
<b>(Loss) income from operations</b>	<b>(42)</b>	<b>96</b>		<b>54</b>
<b>Other expense, net</b>				
Interest expense	(3)	—		(3)
Other income, net	—	—		—
<b>Total other expense, net</b>	<b>(3)</b>	<b>—</b>		<b>(3)</b>
<b>(Loss) income before income taxes</b>	<b>(45)</b>	<b>96</b>		<b>51</b>
Income tax expense	1	13	(c)	14
<b>Net (loss) income</b>	<b>\$ (46)</b>	<b>\$ 83</b>		<b>\$ 37</b>
<b>Net (loss) income per common share</b>				
Basic	\$ (0.36)			\$ 0.29
Diluted	\$ (0.36)			\$ 0.28
<b>Weighted average common shares outstanding</b>				
Basic	129.4			129.4
Diluted	129.4			130.9

**Teradata Corporation**  
**Unaudited Pro Forma Condensed Consolidated Statement of (Loss) Income**  
**For the Year Ended December 31, 2015**

	GAAP	Pro Forma		
	As reported	Adjustments (a)	Notes	Pro forma
<b>(in millions, except per share amounts)</b>				
<b>Revenue</b>				
Product revenue	\$ 1,057	\$ (28)	(b)	\$ 1,029
Service revenue	1,473	(124)	(b)	1,349
<b>Total revenue</b>	<b>2,530</b>	<b>(152)</b>		<b>2,378</b>
<b>Costs and operating expenses</b>				
Cost of products	440	(11)	(b)	429
Cost of services	814	(90)	(b)	724
Selling, general and administrative expenses	765	(92)	(b)	673
Research and development expenses	228	(40)	(b)	188
Impairment of goodwill and acquired intangibles	478	(478)	(b)	—
<b>Total costs and operating expenses</b>	<b>2,725</b>	<b>(711)</b>		<b>2,014</b>
<b>(Loss) income from operations</b>	<b>(195)</b>	<b>559</b>		<b>364</b>
<b>Other income, net</b>				
Interest expense	(9)	—		(9)
Other income, net	60	—		60
<b>Total other income, net</b>	<b>51</b>	<b>—</b>		<b>51</b>
<b>(Loss) income before income taxes</b>	<b>(144)</b>	<b>559</b>		<b>415</b>
Income tax expense	70	44	(c)	114
<b>Net (loss) income</b>	<b>\$ (214)</b>	<b>\$ 515</b>		<b>\$ 301</b>
<b>Net (loss) income per common share</b>				
Basic	\$ (1.53)			\$ 2.16
Diluted	\$ (1.53)			\$ 2.12
<b>Weighted average common shares outstanding</b>				
Basic	139.6			139.6
Diluted	139.6			141.9

**Teradata Corporation**  
**Unaudited Pro Forma Condensed Consolidated Balance Sheets**  
**As of March 31, 2016**

	GAAP	Pro Forma		
(in millions, except per share amounts)	As reported	Adjustments (a)	Notes	Pro Forma
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 917	88	(d)	\$ 1,005
Accounts receivable, net	519	—		519
Inventories	54	—		54
Assets held for sale	139	(134)	(e)	5
Other current assets	48	(7)	(f)	41
<b>Total current assets</b>	<b>1,677</b>	<b>(53)</b>		<b>1,624</b>
Property and equipment, net	131	—		131
Capitalized software, net	190	—		190
Goodwill	384	—		384
Acquired intangible assets	17	—		17
Deferred income taxes	48	—		48
Other assets	17	—		17
<b>Total assets</b>	<b>\$ 2,464</b>	<b>\$ (53)</b>		<b>\$ 2,411</b>
<b>Liabilities and stockholders' equity</b>				
Current liabilities				
Current portion of long-term debt	\$ 30	—		\$ 30
Short-term borrowings	80	—		80
Accounts payable	83	—		83
Payroll and benefits liabilities	118	—		118
Deferred revenue	506	—		506
Liabilities held for sale	55	(55)	(e)	—
Other current liabilities	96	13	(f)	109
<b>Total current liabilities</b>	<b>968</b>	<b>(42)</b>		<b>926</b>
Long-term debt	560	—		560
Pension and other postemployment plan liabilities	81	—		81
Long-term deferred revenue	15	—		15
Deferred tax liabilities	20	(2)	(f)	18
Other liabilities	26	—		26
<b>Total liabilities</b>	<b>1,670</b>	<b>(44)</b>		<b>1,626</b>
<b>Stockholders' equity</b>				
Preferred stock	—	—		—
Common stock	1	—		1
Paid-in capital	1,158	—		1,158
Accumulated deficit	(297)	(9)	(g)	(306)
Accumulated other comprehensive loss	(68)	—		(68)
<b>Total stockholders' equity</b>	<b>794</b>	<b>(9)</b>		<b>785</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,464</b>	<b>\$ (53)</b>		<b>\$ 2,411</b>



**Teradata Corporation**  
**Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements**

The unaudited pro forma adjustments reflect the following assumptions:

- (a) The pro forma adjustments do not include special items that the Company sometimes excludes to present financial results.
- (b) Elimination of revenue, cost and operating expenses attributable to the TMA Business. The pro forma adjustments exclude the portion of the Marketing Applications business that will be retained by Teradata.
- (c) Adjustment reflects the tax effect of the pro forma adjustments at the applicable statutory income tax rates, including the discrete tax impact of the goodwill impairment that is not deductible for tax purposes.
- (d) Adjustment reflects the approximately \$92 million in cash received for the sale of the TMA Business, net of \$4 million of transaction-related costs. The actual cash to be received in the third quarter of 2016 is subject to change pending the finalization of working capital and transaction costs.
- (e) Elimination of assets and liabilities related to the TMA Business as if the divestment occurred on March 31, 2016. The remaining \$5 million of assets held for sale relates to the sale of the Company's corporate plane.
- (f) Adjustment reflects the \$18 million estimated tax expense, of which \$13 million is cash taxes associated with the tax gain on the sale of the TMA Business assets, due to having zero tax basis in goodwill. The tax expense associated with the gain was calculated based on the amount of proceeds allocated to the various jurisdictions in accordance with the Purchase Agreement at the local statutory rates.
- (g) Adjustment reflects the estimated after-tax effect on retained earnings as if the divestment occurred on March 31, 2016, including the tax gain on the sale of the TMA Business and the reduction in net assets and liabilities. The actual loss to be reported in the third quarter of 2016 is subject to change pending final determination of the net asset value of the TMA Business, finalization of working capital, transaction costs and other adjustments.