



Fourth-Quarter 2014 Financial Results

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Peter Altabef | President & CEO
Janet Haugen | SVP & CFO

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Disclaimer

- Statements made by Unisys during today's presentation that are not historical facts, including those regarding future performance, are forward-looking statements under the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and assumptions and involve risks and uncertainties that could cause actual results to differ from expectations. These risks and uncertainties are discussed in the company's reports filed with the SEC and in today's earnings release.
- This presentation also includes non-GAAP financial measures including Constant Currency, non-GAAP Operating Profit, non-GAAP Earnings per Diluted Share, Free Cash Flow, EBITDA, Adjusted EBITDA, and Net Cash. Definitions of these non-GAAP financial measures and reconciliations to GAAP measures are included in this presentation.
- These presentation materials can be accessed on the Unisys Investor Web site at www.unisys.com/investor. Information in this presentation is as of January 29, 2015 and Unisys undertakes no duty to update this information.

Financial Results

\$M (excluding EPS)	4Q14	4Q13	Y/Y Ch	FY14	FY13	Y/Y Ch
Revenue	\$906	\$996	(9%)	\$3,356	\$3,457	(3%)
• Gross Profit	\$245	\$315	(22%)	\$778	\$848	(8%)
• Gross Profit Margin	27.0%	31.7%	(4.7 pts)	23.2%	24.5%	(1.3 pts)
Operating Expenses (SG&A plus R&D)	\$162	\$160	2%	\$623	\$629	(1%)
• Operating Profit	\$82	\$156	(47%)	\$155	\$220	(29%)
• Operating Profit Margin	9.1%	15.7%	(6.6 pts)	4.6%	6.4%	(1.8 pts)
• Non-GAAP Operating Profit*	\$101	\$180	(44%)	\$229	\$313	(27%)
• Non-GAAP Operating Profit Margin*	11.1%	18.1%	(7.0 pts)	6.8%	9.1%	(2.3 pts)
Other Income (Expense)	\$9	(\$1)		\$0	\$10	
Pretax Income	\$89	\$152	(42%)	\$146	\$219	(34%)
Tax Provision	\$24	\$28	(15%)	\$86	\$99	(13%)
Net Income	\$62	\$117	(47%)	\$44	\$92	(52%)
Diluted Earnings per Share	\$1.24	\$2.37	(48%)	\$0.89	\$2.08	(57%)
Non-GAAP Diluted Earnings per Share**	\$1.60	\$2.82	(43%)	\$2.36	\$3.87	(39%)

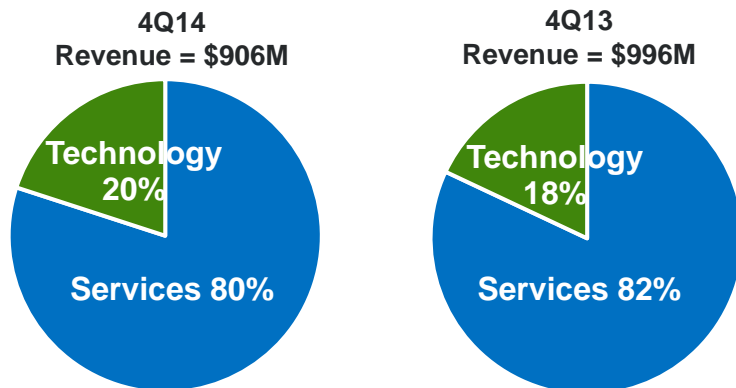
See Schedules *A & **B: GAAP to non-GAAP Reconciliation

Segment Results – 4Q14

4Q14 Segment Revenue

- Services revenue
 - Down 11% Y/Y;
Down 8% in constant currency
- Technology revenue
 - Up 1% Y/Y;
Up 3% in constant currency

Revenue Mix



4Q14 Segment Margins

\$M	4Q14	Y/Y Ch
Services Segment		
Services Revenue	\$721	(11%)
Services Gross Margin	17.5%	(440 bps)
Services Operating Margin	3.9%	(590 bps)
Technology Segment		
Technology Revenue	\$185	1%
Technology Gross Margin	60.4%	(100 bps)
Technology Operating Margin	36.3%	(430 bps)

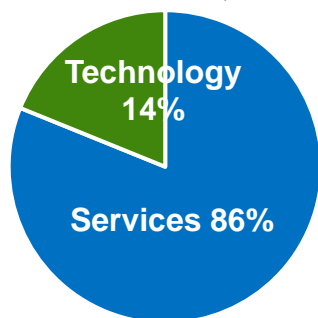
Segment Results – Full Year 2014

Full Year 2014 Segment Revenue

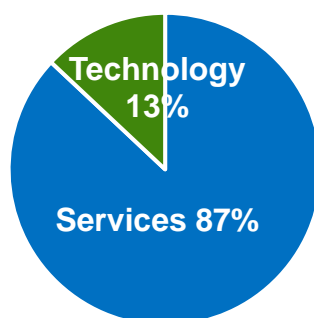
- Services revenue
 - Down 4% Y/Y;
Down 3% in constant currency
- Technology revenue
 - Up 2% Y/Y;
Up 3% in constant currency

Revenue Mix

Full Year 2014
Revenue = \$3,356M



Full Year 2013
Revenue = \$3,457M



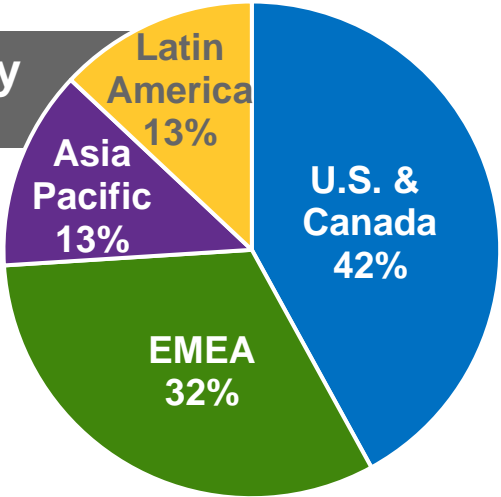
Full Year 2014 Segment Margins

\$M	FY14	Y/Y Ch
Services Segment		
Services Revenue	\$2,887	(4%)
Services Gross Margin	17.5%	(220 bps)
Services Operating Margin	4.2%	(200 bps)
Technology Segment		
Technology Revenue	\$469	2%
Technology Gross Margin	56.3%	240 bps
Technology Operating Margin	19.1%	(200 bps)

Unisys Revenue Profile

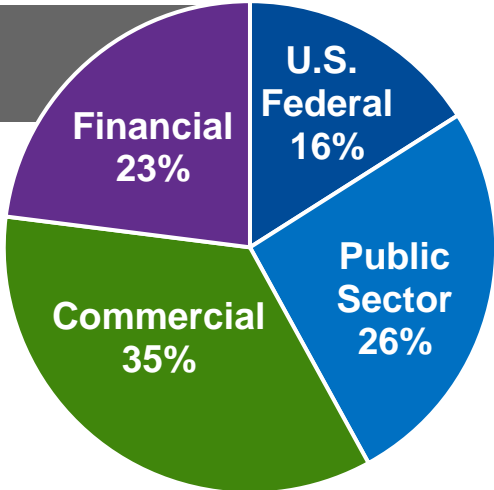
Geography

Full Year 2014



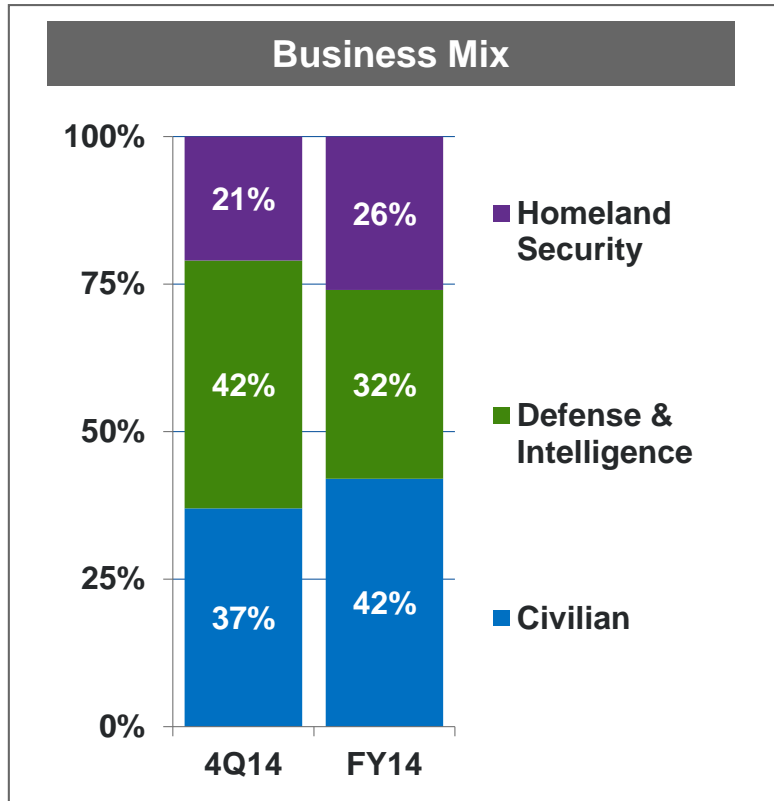
Industry

Full Year 2014

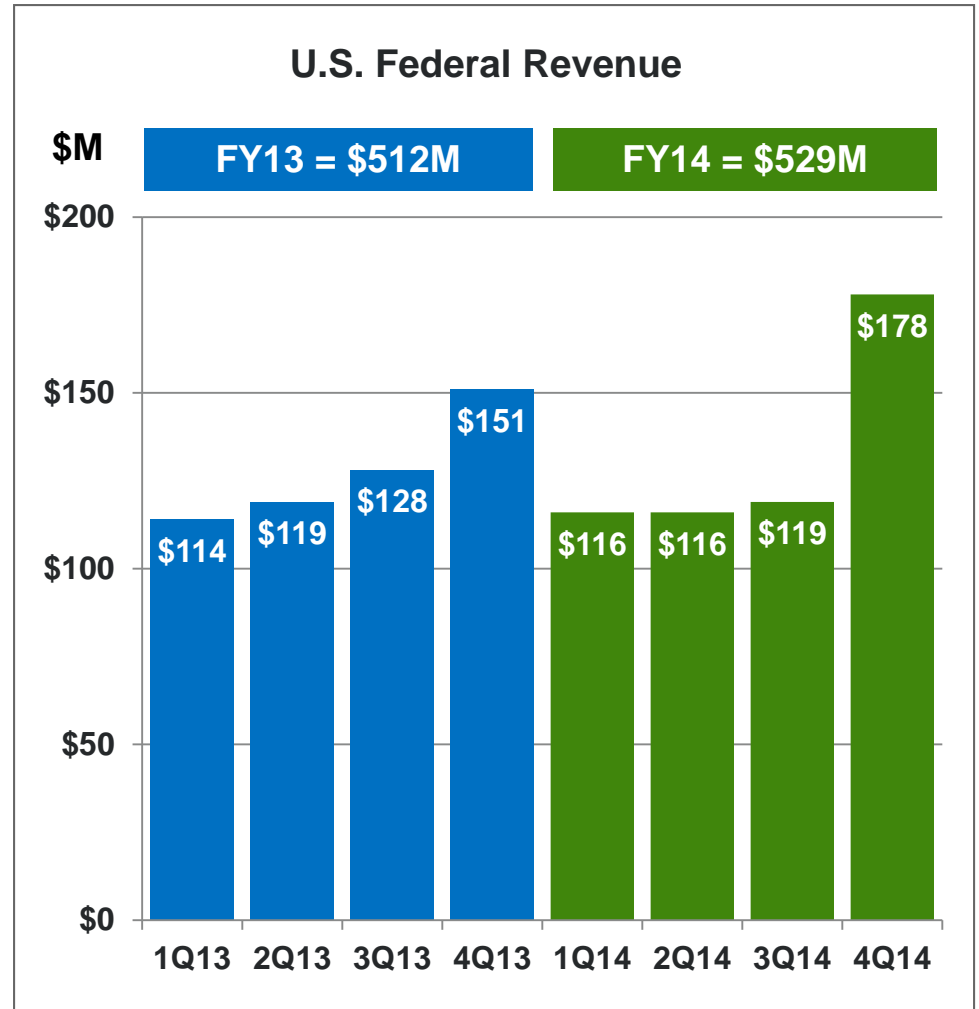


	4Q14 Y/Y	FY14 Y/Y
U.S. & Canada	6%	1%
EMEA	(28%)	(7%)
Asia Pacific	(34%)	(13%)
Latin America	49%	8%
	4Q14 Y/Y	FY14 Y/Y
U.S. Federal	18%	3%
Public Sector	(21%)	(5%)
Commercial	(12%)	(6%)
Financial	(9%)	Flat

U.S. Federal Government Business



Revenue Y/Y	
4Q14	18%
Full Year 2014	3%



4Q14 Services Order Highlights

- Services orders up substantially Y/Y and sequentially
- Services orders by geography:
 - Orders up Y/Y in Latin America, EMEA and the U.S. & Canada
 - Orders down Y/Y in Asia Pacific
- Services orders by portfolio:
 - Infrastructure Services, BPO, ITO, and Systems Integration orders grew Y/Y and sequentially
 - Core Maintenance orders decreased Y/Y
- Closed 4Q14 with \$4.8B in services backlog vs. \$4.8B at 4Q13 and \$4.4B at 3Q14
 - \$635M of services backlog expected to turn into 1Q15 Services revenue
 - Approximately \$2.0B (41%) of Services backlog expected to convert to revenue in 2015

Cash Flow Comparison

\$M	4Q14	4Q13	FY14	FY13
Cash Flow From Operations	\$106	\$141	\$121	\$187
Capital Expenditures	\$69	\$48	\$212	\$151
Free Cash Flow*	\$37	\$93	(\$91)	\$36
Pension Funding	\$22	\$45	\$183	\$147
Free Cash Flow Before Pension Funding*	\$59	\$138	\$92	\$183
Depreciation & Amortization	\$43	\$39	\$169	\$160
EBITDA**	\$131	\$191	\$311	\$377
Adjusted EBITDA**	\$150	\$215	\$385	\$471
Cash Balance at December 31			\$494	\$640
Debt Balance at December 31			\$224	\$210
Net Cash at December 31			\$270	\$430

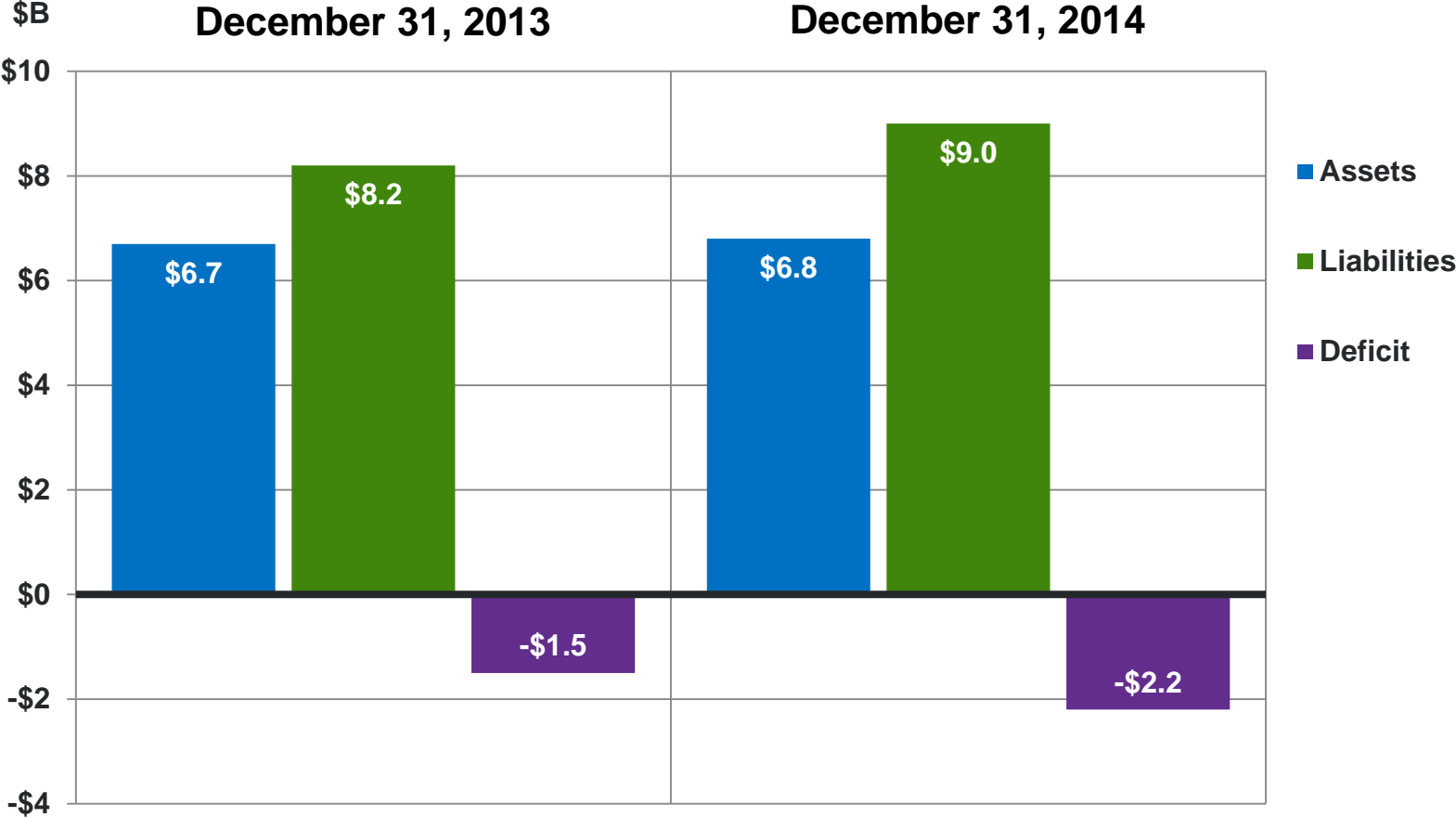
See Schedules *C and **D: GAAP to non-GAAP Reconciliation

Update on Pension

Worldwide P&L Impact (\$M)	2014	2015E
Total Pension Expense*	\$73.8	\$111.8
U.S. Qualified Defined Benefit Pension Plan		
Expected Return on Assets	7.72%	6.80%
Actual Return	8.32%	--
U.S. GAAP Discount Rate	at 12/31/13 5.02%	at 12/31/14 4.09%
International Qualified Defined Benefit Pension Plans		
Expected Return on Assets	6.45%	6.45%
Weighted Average U.S. GAAP Discount Rate	at 12/31/13 4.15%	at 12/31/14 3.05%

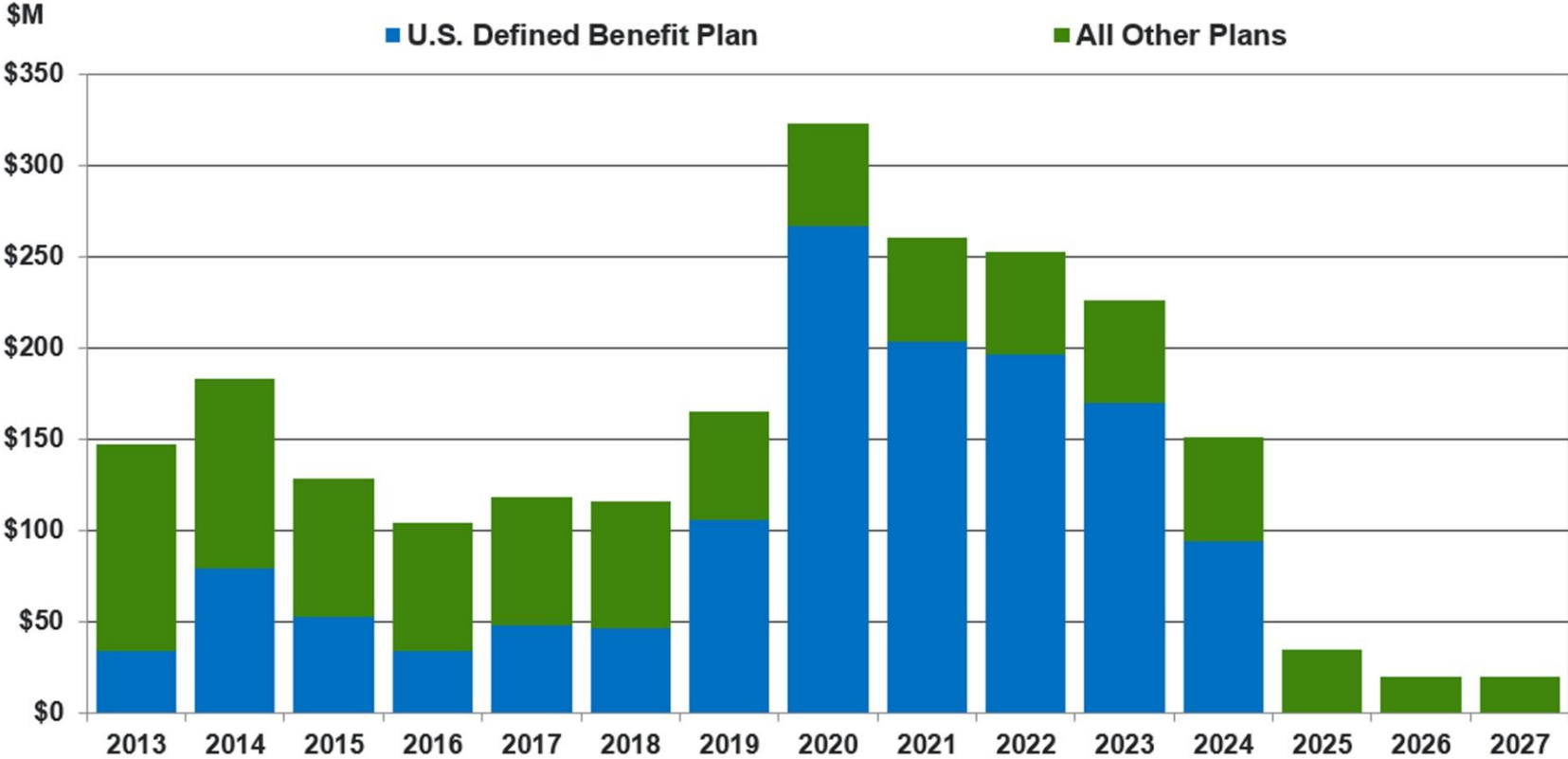
*All estimates are based on expected asset returns and discount rate assumptions as calculated at December 31, 2014.

Defined Benefit Pension Plans



In accordance with U.S. GAAP, discount rates are set annually at December 31.

Estimated Future Pension Cash Contributions



The funding estimates for our U.S. qualified defined benefit pension plan are based on current estimated asset returns and the funding discount rates used for the U.S. qualified defined benefit plan which have been updated to reflect the 2014 discount rates. The future funding requirements are likely to change based on, among other items, market conditions, changes in discount rates and changes in actuarial assumptions.

Current estimates for future contributions to international plans are based on local funding regulations and agreements and are likely to change in 2015 and beyond based on a number of factors including market conditions, changes in discount rates and changes in currency rates.

Defined Benefit Plans Cash Funding Estimates

Cash Funding Requirements (\$M)		2013	2014	Estimates				
				2015	2016	2017	2018	2019
Previous Estimates	U.S. Qualified Defined Benefit Pension Plan	\$34	\$80	\$44	\$36	\$46	\$46	\$90
	Other Defined Benefit Pension Plans	\$113	\$108	\$88	\$79	\$77	\$77	\$65
	Total	\$147	\$188	\$132	\$115	\$123	\$123	\$155
Current Estimates	U.S. Qualified Defined Benefit Pension Plan	\$34	\$80	\$53	\$34	\$48	\$46	\$106
	Other Defined Benefit Pension Plans	\$113	\$103	\$76	\$70	\$70	\$70	\$59
	Total	\$147	\$183	\$129	\$104	\$118	\$116	\$165

All estimates are based on actual asset returns and discount rate assumptions as calculated at December 31, 2014. These are likely to change for 2015 and beyond based on -- among other items -- market conditions, published IRS discount rates, changes in actuarial assumptions and changes in currency rates.

Current estimates for future contributions to international plans are based on local funding regulations and agreements and are likely to change in 2015 and beyond based on a number of factors including market conditions, changes in discount rates and changes in currency rates.



Questions & Answers

Non-GAAP Financial Measures

In an effort to provide investors with additional information regarding the company's results as determined by generally accepted accounting principles (GAAP), the company also discusses, in its earnings press release and/or earnings presentation materials, the following non-GAAP information which management believes provides useful information to investors.

Constant Currency – The company refers to growth rates at constant currency or adjusting for currency so that the business results can be viewed without the impact of fluctuations in foreign currency exchange rates to facilitate comparisons of the company's business performance from one period to another. Constant currency for revenue is calculated by retranslating current and prior period results at a consistent rate. This approach is based on the pricing currency for each country which is typically the functional currency. Generally, when the dollar either strengthens or weakens against other currencies, the growth at constant currency rates will be higher or lower, respectively, than growth reported at actual exchange rates.

Non-GAAP Operating Profit – Unisys recorded pretax pension expense of \$18.3 million and \$24.1 million, respectively, during the fourth quarter of 2014 and 2013. Unisys recorded pretax pension expense of \$73.8 million and \$93.5 million, respectively, during 2014 and 2013. In order to provide investors with additional understanding of the company's operating results, these charges are excluded from the operating profit.

Non-GAAP Diluted Earnings Per Share – Unisys recorded pension expense, net of tax, of \$18.1 million and \$23.2 million, respectively, during the fourth quarters of 2014 and 2013. Unisys recorded pension expense, net of tax, of \$73.2 million and \$90.0 million, respectively, during 2014 and 2013. In an effort to provide investors with a perspective on the company's earnings without these charges, they are excluded from the non-GAAP diluted earnings per share calculations.

Non-GAAP Financial Measures

Free Cash Flow – To better understand the trends in our business, we believe that it is helpful to present free cash flow, which we define as cash flow from operations less capital expenditures. Management believes this measure gives investors an additional perspective on cash flow from operating activities in excess of amounts required for reinvestment. Because of the significance of the company's pension funding obligations in 2014 and 2013, free cash flow before pension funding is also provided.

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is an approximate measure of a company's operating cash flow based on data from the company's income statement. EBITDA is calculated as earnings before the deduction of interest expenses, taxes, depreciation, and amortization. Management believes this measure may be relevant to investors due to the level of fixed assets and related depreciation charges. This measure is also of interest to the company's creditors, since it provides a perspective on earnings available for interest payments.

Adjusted EBITDA – Unisys recorded pretax pension expense of \$18.3 million and \$24.1 million, respectively, during the fourth quarter of 2014 and 2013. Unisys recorded pretax pension expense of \$73.8 million and \$93.5 million, respectively, during 2014 and 2013. In order to provide investors with additional understanding of the company's operating results, these charges are excluded from the Adjusted EBITDA calculation.

Net Cash – In an effort to help investors better understand the debt held by the company, this measure takes into account not only the total debt obligations of the company, but the significance of debt compared to its cash balances. Net Cash is calculated by subtracting Long-Term Debt from the company's cash balance.

Schedule A: GAAP to Non-GAAP Reconciliation

Non-GAAP Operating Profit

\$M	4Q14	4Q13	FY14	FY13
Operating Profit	\$82.4	\$155.9	\$154.9	\$219.5
Pension Expense	18.3	24.1	73.8	93.5
Non-GAAP Operating Profit	\$100.7	\$180.0	\$228.7	\$313.0

Schedule B: GAAP to Non-GAAP Reconciliation

Non-GAAP Earnings per Diluted Share

\$M except share and per share data	4Q14	4Q13	FY14	FY13
GAAP net income attributable to Unisys Corporation common shareholders	\$61.8	\$117.4	\$44.0	\$92.3
Pension expense, net of tax	18.1	23.2	73.2	90.0
Non-GAAP net income attributable to Unisys Corporation common shareholders	\$79.9	\$140.6	\$117.2	\$182.3
Add preferred stock dividends	0.0	4.1	2.7	16.2
Non-GAAP net income attributable to Unisys Corporation for diluted earnings per share	\$79.9	\$144.7	\$119.9	\$198.5
Weighted average shares (thousands)	49,689	43,947	49,280	43,899
Plus incremental shares from assumed conversion of employee stock plans and preferred stock	259	7,372	1,476	7,361
Adjusted weighted average shares	49,948	51,319	50,756	51,260
Diluted Earnings per Share				
<i>GAAP basis</i>				
GAAP net income attributable to Unisys Corporation common shareholders	\$61.8	\$121.5	\$44.0	\$92.3
Divided by weighted average shares	49,948	51,319	49,583	44,347
GAAP earnings per diluted share	\$1.24	\$2.37	\$0.89	\$2.08
<i>Non-GAAP basis</i>				
Non-GAAP net income attributable to Unisys Corporation for diluted earnings per share	\$79.9	\$144.7	\$119.9	\$198.5
Divided by adjusted weighted average shares	49,948	51,319	50,756	51,260
Non-GAAP earnings per diluted share	\$1.60	\$2.82	\$2.36	\$3.87

Schedule C: GAAP to Non-GAAP Reconciliation

Free Cash Flow

\$M	4Q14	4Q13	FY14	FY13
Cash Provided by Operations	\$105.5	\$141.2	\$121.4	\$187.4
Capital Expenditures	(68.9)	(48.4)	(212.8)	(151.4)
Free Cash Flow	\$36.6	\$92.8	(\$91.4)	\$36.0
Pension Funding	22.1	45.6	183.4	147.2
Free Cash Flow Before Pension Funding	\$58.7	\$138.4	\$92.0	\$183.2

Schedule D: GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA

Earnings before Interest, Taxes, Depreciation and Amortization

\$M	4Q14	4Q13	FY14	FY13
Net Income Attributable to Unisys	\$61.8	\$121.5	\$46.7	\$108.5
Interest Expense	2.6	2.2	9.2	9.9
Income Tax Provision	23.9	28.2	86.2	99.3
Depreciation & Amortization	43.0	38.7	168.6	159.6
EBITDA	\$131.3	\$190.6	\$310.7	\$377.3
Pension Expense	18.3	24.1	73.8	93.5
Adjusted EBITDA	\$149.6	\$214.7	\$384.5	\$470.8