

**UNISYS CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)  
(Millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
<b>Revenue</b>				
Services	\$ 575.5	\$ 600.9	\$ 1,735.6	\$ 1,809.8
Technology	90.8	82.4	261.4	289.2
	666.3	683.3	1,997.0	2,099.0
<b>Costs and expenses</b>				
Cost of revenue:				
Services	539.7	531.3	1,570.9	1,594.1
Technology	40.5	30.4	117.3	106.5
	580.2	561.7	1,688.2	1,700.6
Selling, general and administrative	102.3	120.0	325.6	345.8
Research and development	10.8	11.4	37.7	40.5
	693.3	693.1	2,051.5	2,086.9
<b>Operating profit (loss)</b>	<b>(27.0)</b>	<b>(9.8)</b>	<b>(54.5)</b>	<b>12.1</b>
Interest expense	16.4	7.7	36.4	19.9
Other income (expense), net	3.0	2.3	(8.6)	3.7
<b>Loss before income taxes</b>	<b>(40.4)</b>	<b>(15.2)</b>	<b>(99.5)</b>	<b>(4.1)</b>
Provision for income taxes	12.5	9.9	21.6	34.2
<b>Consolidated net loss</b>	<b>(52.9)</b>	<b>(25.1)</b>	<b>(121.1)</b>	<b>(38.3)</b>
Net income (loss) attributable to noncontrolling interests	(11.8)	3.1	(5.3)	8.2
<b>Net loss attributable to Unisys Corporation common shareholders</b>	<b>\$ (41.1)</b>	<b>\$ (28.2)</b>	<b>\$ (115.8)</b>	<b>\$ (46.5)</b>
<b>Loss per share attributable to Unisys Corporation</b>				
<b>Basic</b>	<b>\$ (0.81)</b>	<b>\$ (0.56)</b>	<b>\$ (2.30)</b>	<b>\$ (0.93)</b>
<b>Diluted</b>	<b>\$ (0.81)</b>	<b>\$ (0.56)</b>	<b>\$ (2.30)</b>	<b>\$ (0.93)</b>
Shares used in the per share computations (in thousands):				
Basic	50,471	50,082	50,388	50,052
Diluted	50,471	50,082	50,388	50,052

**UNISYS CORPORATION**  
**SEGMENT RESULTS**  
(Unaudited)  
(Millions)

	<u>Total</u>	<u>Eliminations</u>	<u>Services</u>	<u>Technology</u>
<b>Three Months Ended September 30, 2017</b>				
Customer revenue	\$ 666.3	\$ —	\$ 575.5	\$ 90.8
Intersegment	—	(4.4)	—	4.4
Total revenue	<u>\$ 666.3</u>	<u>\$ (4.4)</u>	<u>\$ 575.5</u>	<u>\$ 95.2</u>
Gross profit percent	<u>12.9 %</u>		<u>16.5 %</u>	<u>53.3 %</u>
Operating profit (loss) percent	<u>(4.1)%</u>		<u>3.2 %</u>	<u>31.1 %</u>
<b>Three Months Ended September 30, 2016</b>				
Customer revenue	\$ 683.3	\$ —	\$ 600.9	\$ 82.4
Intersegment	—	(5.8)	—	5.8
Total revenue	<u>\$ 683.3</u>	<u>\$ (5.8)</u>	<u>\$ 600.9</u>	<u>\$ 88.2</u>
Gross profit percent	<u>17.8 %</u>		<u>16.7 %</u>	<u>59.8 %</u>
Operating profit (loss) percent	<u>(1.4)%</u>		<u>2.6 %</u>	<u>32.3 %</u>
	<u>Total</u>	<u>Eliminations</u>	<u>Services</u>	<u>Technology</u>
<b>Nine Months Ended September 30, 2017</b>				
Customer revenue	\$ 1,997.0	\$ —	\$ 1,735.6	\$ 261.4
Intersegment	—	(15.1)	—	15.1
Total revenue	<u>\$ 1,997.0</u>	<u>\$ (15.1)</u>	<u>\$ 1,735.6</u>	<u>\$ 276.5</u>
Gross profit percent	<u>15.5 %</u>		<u>16.3 %</u>	<u>53.2 %</u>
Operating profit (loss) percent	<u>(2.7)%</u>		<u>2.1 %</u>	<u>27.8 %</u>
<b>Nine Months Ended September 30, 2016</b>				
Customer revenue	\$ 2,099.0	\$ —	\$ 1,809.8	\$ 289.2
Intersegment	—	(17.3)	—	17.3
Total revenue	<u>\$ 2,099.0</u>	<u>\$ (17.3)</u>	<u>\$ 1,809.8</u>	<u>\$ 306.5</u>
Gross profit percent	<u>19.0 %</u>		<u>15.9 %</u>	<u>60.2 %</u>
Operating profit percent	<u>0.6 %</u>		<u>1.8 %</u>	<u>36.0 %</u>

**UNISYS CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)  
(Millions)

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 598.7	\$ 370.6
Accounts and notes receivable, net	511.8	505.8
Inventories:		
Parts and finished equipment	17.7	14.0
Work in process and materials	15.1	15.0
Prepaid expenses and other current assets	118.8	121.9
<b>Total current assets</b>	<b><u>1,262.1</u></b>	<b><u>1,027.3</u></b>
Properties	915.4	886.6
Less-Accumulated depreciation and amortization	766.7	741.3
Properties, net	<u>148.7</u>	<u>145.3</u>
Outsourcing assets, net	190.6	172.5
Marketable software, net	136.4	137.0
Prepaid postretirement assets	47.9	33.3
Deferred income taxes	150.8	146.1
Goodwill	181.2	178.6
Restricted cash	21.3	30.5
Other long-term assets	157.9	151.0
<b>Total assets</b>	<b><u>\$ 2,296.9</u></b>	<b><u>\$ 2,021.6</u></b>
<b>Liabilities and deficit</b>		
Current liabilities:		
Current maturities of long-term-debt	\$ 11.3	\$ 106.0
Accounts payable	195.5	189.0
Deferred revenue	326.9	337.4
Other accrued liabilities	387.8	349.2
<b>Total current liabilities</b>	<b><u>921.5</u></b>	<b><u>981.6</u></b>
Long-term debt	631.5	194.0
Long-term postretirement liabilities	2,195.2	2,292.6
Long-term deferred revenue	108.3	117.6
Other long-term liabilities	90.3	83.2
Commitments and contingencies		
Total deficit	(1,649.9)	(1,647.4)
<b>Total liabilities and deficit</b>	<b><u>\$ 2,296.9</u></b>	<b><u>\$ 2,021.6</u></b>

\* Certain amounts have been reclassified to conform to the current-year presentation.

**UNISYS CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(Millions)

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Consolidated net loss	\$ (121.1)	\$ (38.3)
Adjustments to reconcile consolidated net loss to net cash provided by (used for) operating activities:		
Foreign currency transaction (gains) losses	(0.5)	0.4
Non-cash interest expense	6.9	4.9
Loss on debt extinguishment	1.5	—
Employee stock compensation	8.6	7.7
Depreciation and amortization of properties	29.6	28.6
Depreciation and amortization of outsourcing assets	39.3	39.7
Amortization of marketable software	47.1	48.0
Other non-cash operating activities	3.3	1.4
Loss on disposal of capital assets	4.5	2.0
Pension contributions	(110.8)	(104.0)
Pension expense	69.4	63.0
Decrease (increase) in deferred income taxes, net	2.3	(2.7)
Changes in operating assets and liabilities:		
Receivables, net	3.1	59.9
Inventories	(2.6)	5.5
Accounts payable and other accrued liabilities	(15.3)	(44.9)
Other liabilities	(21.8)	10.5
Other assets	20.2	21.3
<b>Net cash (used for) provided by operating activities</b>	<b>(36.3)</b>	<b>103.0</b>
<b>Cash flows from investing activities</b>		
Proceeds from investments	3,663.5	3,307.3
Purchases of investments	(3,632.8)	(3,331.6)
Investment in marketable software	(46.6)	(47.1)
Capital additions of properties	(21.8)	(18.3)
Capital additions of outsourcing assets	(60.1)	(41.4)
Other	(0.8)	(0.8)
<b>Net cash used for investing activities</b>	<b>(98.6)</b>	<b>(131.9)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of long-term debt	445.0	213.5
Payments for capped call transactions	—	(27.3)
Issuance costs relating to long-term debt	(12.1)	(7.3)
Payments of long-term debt	(98.4)	(2.1)
Payments of short-term borrowings	—	(65.8)
Other	0.2	(0.4)
<b>Net cash provided by financing activities</b>	<b>334.7</b>	<b>110.6</b>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>	<b>19.1</b>	<b>(2.3)</b>
<b>Increase in cash, cash equivalents and restricted cash</b>	<b>218.9</b>	<b>79.4</b>
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	<b>401.1</b>	<b>396.8</b>
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 620.0</b>	<b>\$ 476.2</b>

**UNISYS CORPORATION**  
**RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES**  
(Unaudited)  
(Millions, except per share data)

		<b>Three Months</b>		<b>Nine Months</b>	
		<b>Ended September 30,</b>		<b>Ended September 30,</b>	
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>GAAP net loss attributable to Unisys Corporation common shareholders</b>		<b>\$ (41.1)</b>	<b>\$ (28.2)</b>	<b>\$ (115.8)</b>	<b>\$ (46.5)</b>
Cost reduction and other expense:	pretax	46.1	34.6	100.5	71.7
	tax benefit	(1.2)	(2.6)	(10.2)	(4.7)
	net of tax	44.9	32.0	90.3	67.0
	minority interest	(11.1)	—	(11.1)	—
	net of minority interest	33.8	32.0	79.2	67.0
Pension expense:	pretax	23.6	21.2	69.4	63.0
	tax (benefit) provision	(0.1)	0.3	1.7	0.9
	net of tax	23.5	21.5	71.1	63.9
<b>Non-GAAP net income attributable to Unisys Corporation common shareholders</b>		<b>16.2</b>	<b>25.3</b>	<b>34.5</b>	<b>84.4</b>
Add interest expense on convertible notes		4.8	4.6	14.2	9.9
<b>Non-GAAP net income attributable to Unisys Corporation for diluted earnings per share</b>		<b>\$ 21.0</b>	<b>\$ 29.9</b>	<b>\$ 48.7</b>	<b>\$ 94.3</b>
Weighted average shares (thousands)		50,471	50,082	50,388	50,052
Plus incremental shares from assumed conversion:					
	Employee stock plans	241	226	308	175
	Convertible notes	21,868	21,868	21,868	15,685
Non-GAAP adjusted weighted average shares		<u>72,580</u>	<u>72,176</u>	<u>72,564</u>	<u>65,912</u>
<b>Diluted earnings (loss) per share</b>					
<b>GAAP basis</b>					
GAAP net loss attributable to Unisys Corporation for diluted earnings per share		\$ (41.1)	\$ (28.2)	\$ (115.8)	\$ (46.5)
Divided by adjusted weighted average shares		50,471	50,082	50,388	50,052
<b>GAAP diluted loss per share</b>		<b>\$ (0.81)</b>	<b>\$ (0.56)</b>	<b>\$ (2.30)</b>	<b>\$ (0.93)</b>
<b>Non-GAAP basis</b>					
Non-GAAP net income attributable to Unisys Corporation for diluted earnings per share		\$ 21.0	\$ 29.9	\$ 48.7	\$ 94.3

**UNISYS CORPORATION**  
**RECONCILIATION OF GAAP OPERATING PROFIT TO NON-GAAP OPERATING PROFIT**  
(Unaudited)  
(Millions)

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2017	2016	2017	2016
<b>GAAP operating profit (loss)</b>	<b>\$ (27.0)</b>	<b>\$ (9.8)</b>	<b>\$ (54.5)</b>	<b>\$ 12.1</b>
Cost reduction and other expense	51.8	34.6	99.6	71.7
FAS87 pension expense	23.6	21.2	69.4	63.0
<b>Non-GAAP operating profit</b>	<b>\$ 48.4</b>	<b>\$ 46.0</b>	<b>\$ 114.5</b>	<b>\$ 146.8</b>
<b>Customer revenue</b>	<b>\$ 666.3</b>	<b>\$ 683.3</b>	<b>\$ 1,997.0</b>	<b>\$ 2,099.0</b>
<b>GAAP operating profit (loss) %</b>	<b>(4.1)%</b>	<b>(1.4)%</b>	<b>(2.7)%</b>	<b>0.6 %</b>
<b>Non-GAAP operating profit %</b>	<b>7.3 %</b>	<b>6.7 %</b>	<b>5.7 %</b>	<b>7.0 %</b>

**UNISYS CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP**  
(Unaudited)  
(Millions)

**FREE CASH FLOW**

	<b>Three Months</b>		<b>Nine Months</b>	
	<b>Ended September 30,</b>		<b>Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Cash (used for) provided by operations</b>	<b>\$ 53.9</b>	<b>\$ 46.1 *</b>	<b>\$ (36.3)</b>	<b>\$ 103.0</b>
Additions to marketable software	(17.8)	(16.9)	(46.6)	(47.1)
Additions to properties	(5.9)	(7.3)	(21.8)	(18.3)
Additions to outsourcing assets	(23.2)	(12.6)	(60.1)	(41.4)
<b>Free cash flow</b>	<b>7.0</b>	<b>9.3 *</b>	<b>(164.8)</b>	<b>(3.8)</b>
Pension funding	39.6	39.9	110.8	104.0
Cost reduction and other payments	20.2	23.1	49.0	62.3
<b>Adjusted free cash flow</b>	<b>\$ 66.8</b>	<b>\$ 72.3 *</b>	<b>\$ (5.0)</b>	<b>\$ 162.5</b>

**UNISYS CORPORATION**  
**RECONCILIATION OF GAAP TO NON-GAAP**  
(Unaudited)  
(Millions)

**EBITDA**

	<b>Three Months</b>		<b>Nine Months</b>	
	<b>Ended September 30,</b>		<b>Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Net loss attributable to Unisys Corporation common shareholders</b>	<b>\$ (41.1)</b>	<b>\$ (28.2)</b>	<b>\$ (115.8)</b>	<b>\$ (46.5)</b>
Net income (loss) attributable to noncontrolling interests	(11.8)	3.1	(5.3)	8.2
Interest expense, net of interest income of \$2.5, \$2.9, \$7.2, \$8.5, respectively*	13.9	4.8	29.2	11.4
Provision for income taxes	12.5	9.9	21.6	34.2
Depreciation	22.8	23.3	68.9	68.3
Amortization	15.3	15.6	47.1	48.0
<b>EBITDA</b>	<b>\$ 11.6</b>	<b>\$ 28.5</b>	<b>\$ 45.7</b>	<b>\$ 123.6</b>
Pension expense	23.6	21.2	69.4	63.0
Cost reduction and other expense***	45.8	34.6	100.2	71.7
Non-cash share based expense	2.4	2.4	8.6	7.7
Other (income) expense adjustment**	5.2	0.6	14.9	4.8
<b>Adjusted EBITDA</b>	<b>\$ 88.6</b>	<b>\$ 87.3</b>	<b>\$ 238.8</b>	<b>\$ 270.8</b>

\* Included in Other (income) expense, net on the Consolidated Statements of Income

\*\* Other (income) expense, net as reported on the Consolidated Statements of Income less Interest income and items included in cost reduction and other expense

\*\*\* Reduced for Depreciation and Amortization included above