

**1Q18 Financial Release
CEO/CFO Statements
May 1, 2018**

Courtney Holben, IRO

Thank you, operator. Good afternoon, everyone. This is Courtney Holben, Vice President of Investor Relations. Thank you for joining us. Earlier today, Unisys released its first quarter 2018 financial results. I'm joined this afternoon to discuss those results by Peter Altabef, our Chairman, President and CEO; and Inder Singh, our CFO.

Before we begin, I'd like to cover a few details. First, today's conference call and the Q&A session are being webcast via the Unisys Investor website. Second, you can find the earnings press release and the presentation slides that we will be using this afternoon to guide our discussion, as well as other information relating to our first quarter performance on our Investor website, which we encourage you to visit. Third, today's presentation, which is complementary to the earnings press release, includes some non-GAAP financial measures. The non-GAAP measures have been reconciled to the related GAAP measures and we've provided reconciliations within the presentation.

Although appropriate, under Generally Accepted Accounting Principles, the company's results reflect charges that the company believes are not indicative of its ongoing operations and that can make its profitability and liquidity results difficult to compare to prior periods, anticipated future periods or to its competitors' results. These items consist of pension and cost reduction and other expense.

Management believes each of these items can distort the visibility of trends associated with the company's ongoing performance. Management also believes that the evaluation of the company's financial performance can be enhanced by use of supplemental presentation of its results that exclude the impact of these items in order to enhance consistency and comparativeness with prior or future period results.

The following measures are often provided and utilized by the company's management, analysts and investors to enhance comparability of year-over-year results, as well as to compare results to other companies in our industry: non-GAAP operating profit, non-GAAP diluted earnings per share, free cash flow and adjusted free cash flow, EBITDA and adjusted EBITDA and constant currency.

In addition, this year we will be reporting non-GAAP adjusted revenue and related measures as a result of the adoption of the new revenue recognition rules under ASC 606 to exclude revenue that had previously been recorded in 2017 under ASC 605. For more information regarding these adjustments, please see our earnings release and our Form 10-Q for the quarter.

From time to time, Unisys may provide specific guidance regarding its expected future financial performance. Such guidance is effective only on the date given. Unisys generally will not update, reaffirm or otherwise comment on any prior guidance, except as Unisys deems necessary, and then, only in a manner that complies with Regulation FD.

And finally, I'd like to remind you that all forward-looking statements made during this conference call are subject to various risks and uncertainties that could cause the actual results to differ materially from our expectations. These factors are discussed more fully in the earnings release and in the company's SEC filings. Copies of those SEC reports are available from the SEC, and along with other materials I mentioned earlier, on the Investor website.

And now, I'd like to turn the call over to Peter.

Peter Altabef, CEO

Thank you, Courtney, and thank you all for joining us today to discuss our first quarter financial results. We had a strong start to the year. I'll begin by highlighting some of our key accomplishments and will provide more detail throughout my remarks.

Total revenue grew 6.6% year-over-year for the first quarter. This was helped by some required accounting changes that Inder will describe in more detail. Adjusting to remove the one-time benefit of previously recorded revenue required under the accounting changes, total company non-GAAP adjusted revenue was down 1.4% year-over-year. I would remind you that we faced a difficult year-over-year compare due to a contract renegotiation that helped revenue and profitability in the first quarter last year. We also continue to see momentum within TCV or Total Contract Value and ACV or Annual Contract Value.

Focus industry revenue grew approximately 1% year-over-year and Services revenue within those industries grew 3.6% year-over-year. We believe all this marks continued progress in support of using our industry go-to-market strategy. Another goal has been to improve the consistency in our annual Technology revenue. In the first quarter, this business saw revenue up 76.6% year-over-year helped by changes related to the new required accounting policies I mentioned. Non-GAAP adjusted Technology revenue, which removes the impact of those accounting changes, was up 9.7% year-over-year, marking the third consecutive quarter of growth in this segment.

Our go-to-market efforts continue to benefit from our focus on security as a differentiator, which helped us win several key contracts this quarter. With respect to Stealth specifically, TCV and ACV in the first quarter were up more than 200% versus the prior year period and we saw a strong increase in win rate. As you know, Stealth is just one component of our security offerings and we saw a 63% year-over-year growth in the pipeline for security overall.

With respect to our ongoing efforts to improve profitability, non-GAAP operating margin expanded 60 basis points year-over-year to 7.2%. Adjusted EBITDA margins expanded 130 basis points year-over-year to 14.2%. To further illustrate our go-to-market progress, please turn to slide 5. For the first quarter, total TCV more than doubled year-over-year to \$1.4 billion and new business TCV, which includes new scope and new logo, also more than doubled year-over-year to \$641 million.

During the quarter, we signed the largest new logo contract in over a decade. Even excluding that contract, TCV still would have been up more than 75% year-over-year. Total company ACV was \$418 million for the first quarter, up 136% year-over-year. New business ACV was \$121 million, up 99% year-over-year. This quarter was an especially strong one for TCV and ACV and we don't expect to repeat this performance. However, we do expect to see continued Services backlog momentum over the rest of the year.

Our total pipeline grew 30% year-over-year to \$13.8 billion at the end of the first quarter and our new business pipeline grew 47.5% year-over-year to \$11.9 billion. As I noted, our security pipeline grew 63% year-over-year to over \$640 million.

Of course, as we said in the past, not all opportunities in our pipeline will translate into revenue. But pipeline is a leading indicator that we look to for growth. In connection with this, we also look to win rate which was up 18 points year-over-year in the first quarter for the company overall. Our pipeline for our newly launched or refreshed industry application products, such as Digital Investigator and Elevate, and those related services is approximately \$685 million as of the first quarter.

And as I mentioned, we saw continued growth of focus industry revenue, which accounted for 47% of total revenue in the first quarter. I noted in the Q&A portion of our last earnings call that social services would be added to our focus industries in 2018. And these numbers, including the 2017 numbers used for comparison purposes, are reflective of that. Based on all of this, we believe we're off to a strong start to the year. As a result, we are reaffirming our full year guidance. Inder will provide more color on this as well as on our financial results generally in a few minutes.

At the segment level, starting first with Services, we continue to see progress. Last year, we began to discuss with you improvements to our ratio of full time equivalents or FTEs to managed devices in our cloud and infrastructure services business. In the first quarter of this year, we improved this ratio by 27% year-over-year. This was achieved through standardization based on implementing automation and process and productivity improvements by our staff. During 2018, we continue to evolve our approach with respect to automation and artificial intelligence and have programs in place to implement new software applications in our digital workplace services, including field engineering and service test solutions and we expect those to continue to show improvements throughout 2018.

We believe this advanced intelligent automation will allow us to improve our client experience, service quality, and our competitive position, while also improving our cost to serve. We have begun to see our various efficiency initiatives within Services have an impact and we wanted to share with you a new metric related to these initiatives.

In the first quarter of this year, our Unisys labor as a percent of revenue improved 70 basis points year-over-year to 39.5%. We expect to see continued year-over-year improvement in this metric over the coming quarters. We also saw strength in the first quarter in ClearPath Forward services with low double-digit annual revenue growth and gross margins roughly double those for Services overall. These offerings continue to account for a mid-single digit percent of Services revenue. Leveraging our security and services expertise, we have developed new advisory services and solutions to help companies operationalize their security.

In the first quarter, we launched our Advanced Endpoint Protection Solution, which helps organizations protect against cyber threats using AI threat prevention tools to prevent malware attacks on endpoints. The solution incorporates Unisys consulting and managed security services as well as Cylance advanced threat prevention technology.

Moving to our Technology segment, as I mentioned, revenue grew in the first quarter year-over-year as reported and on a non-GAAP adjusted basis in the first quarter. Earlier in these remarks, I provided color on the progress we made on Stealth with respect to new client wins, TCV and ACV. We recently launched a new version of Stealth that extends microsegmentation technology protection to purpose built IoT devices. We've also been using Stealth to differentiate our broader set of offerings. This is the case with a recent contract win, which we put out a press release on yesterday with TSA or the Transportation Safety Administration in the United States to secure, operate, maintain and protect screening equipment. Stealth provided a differentiated cybersecurity solution and significantly lower cost to the client.

I'll now provide some color on our various sectors beginning with U.S. Federal. Our U.S. Federal sector saw revenue decline 2.6% for the quarter. However, this was largely due to late budget appropriations, timing delays and inclement weather impacting cost-plus contracts. These factors accounted for approximately 4 points of year-over-year revenue decline in the quarter. Services backlog for this sector was up 20% year-over-year which we believe is indicative of continuing momentum and we feel good about growing our U.S. Federal business this year.

We've recently signed a significant renewal and expansion contract with the U.S. Customs and Border Protection agency to utilize advanced targeting analytics to automatically identify and differentiate shipments or travelers that present a low risk appropriate for low touch automated clearance and those that present a higher risk, requiring additional investigation or inspection.

Additionally, we signed a contract for Stealth with a defense agency to conduct a proof of concept in their production environment to enable mission users to securely share information with partners. Our year-over-year revenue compare for the public sector was impacted by that contract renegotiation that helped Q1 last year. However, even in light of that, non-GAAP adjusted revenue was down less than 2%. During the quarter, we launched LineSight, marking the completion of our base tier of industry application products. LineSight draws on our domain expertise and technology that we have developed over more than 15 years of helping protect borders around the world.

We're already in early discussions to implement this solution with governments in Asia Pacific, EMEA and Latin America. We also had a substantial win with Australia's Department of Home Affairs, adding Stealth to help secure Australia's borders and facilitate the flow of legitimate travelers. The solution uses advanced biometrics for travelers wishing to enter Australia to identify potential threats and accelerate the processing of non-threatening travelers.

Our commercial sector had a solid first quarter with year-over-year non-GAAP adjusted revenue growth of 2%. We continue to expand previously launched industry application products such as the Digi-Pet module in our Digistics cargo solution. This is a new solution designed to take the stress out of transporting pets in aircraft cargo holds by providing pet owners with the ability to monitor their pets via their personal devices such as smartphones. We're already in talks with several air carriers to implement Digi-Pet.

Our financial services sector non-GAAP adjusted revenue was down 4% year-over-year due in part to the Technology renewal cycle. We continue to see positive receptivity to our Elevate omnichannel banking platform, including signing a contract during the quarter with a leading bank in Argentina to migrate to Elevate. This solution includes a suite of applications supporting real-time transactions across all channels, including online, mobile and in-branch. This solution will also help the bank to support and meet local regulatory needs. Again, we feel good about the start of the quarter.

And with that, I'll turn things over to Inder.

Inder Singh, CFO

Thanks, Peter. Hello, everyone, and thank you for joining us today. We're pleased with our results for the first quarter, which I'll discuss in detail shortly. In my comments, I'll discuss both GAAP and non-GAAP adjusted results.

Moving now to the results for the first quarter, I'll begin by covering some key financial takeaways on slide 7, and will then provide additional details. As slide 7 shows, we executed strongly across multiple fronts on a GAAP and non-GAAP basis. At the company level, Q1 revenue grew by 6.6% year-over-year. Non-GAAP adjusted revenue was \$655 million compared to \$665 million a year ago, a decline of about 1.4% year-over-year.

As you will recall from our prior disclosure, our results a year ago were helped by a large Services contract renegotiation that took place in the first quarter of 2017 making for a tougher comparison this quarter.

Operating margin was up 14.4%, up from 3.3% in Q1 last year. Non-GAAP operating profit margin was 7.2% up 60 basis points year-over-year. Adjusted EBITDA margin was 14.2%, up 130 basis points year-over-year. We are pleased that our prior cost reduction actions continue to contribute to ongoing profitability improvements.

Our backlog grew strongly to \$4.7 billion, up 26% year-over-year and 10% sequentially. This marks the second consecutive quarter now that we have seen year-over-year growth in Services backlog. It is also the third consecutive quarter of sequential growth in backlog.

Our Technology segment also had a strong start to the year. Technology revenue was \$139.9 million, up 76.6% year-over-year. Non-GAAP adjusted Technology revenue in Q1 was \$86.9 million up 9.7% year-over-year.

Technology operating profit margin was 54.7%, up nearly 40 percentage points year-over-year from 15.4% in the first quarter of last year. Non-GAAP adjusted Technology operating margin more than doubled year-over-year to 29.9% from 15.4% last year.

Turning now to slide 8, I already covered the revenue and margin trends, so I won't repeat those, although I will note that our total revenue was helped by currency this quarter. Our GAAP net income was \$40.6 million in the first quarter compared to a net loss of \$32.7 million in the first quarter of last year. Our Q1 earnings per share on a diluted basis was a positive \$0.62, compared to a negative \$0.65 last year. You can also see on the slide that non-GAAP EPS was \$0.19 versus \$0.32 in the prior year period.

Turning now to slide 9, this shows trends by geography and by sector. Please note that all revenue growth rates shown are based on non-GAAP adjusted revenue for the first quarter 2018 to allow you to make year-over-year comparisons. I will start on the left side of the page on revenue by geography. As you can see, we saw a growth in all regions supported by Services and Technology growth with the exception of U.S. and Canada.

In the first quarter of 2017, our U.S. and Canada region is the one that had benefited from that contract renegotiation that we have mentioned previously. We also had one large contract in the U.S. that did not close at the end of Q1 but has since closed now in Q2. On the right side of the page, you see the sector performance which Peter has already discussed.

Please turn to slide 10 for our segment results. As we have said, our Q1 faced a difficult year-over-year compare. As a result, on a year-over-year basis, Services revenue was down 2.9%, and operating margin was 170 basis points lower year-over-year. I already noted our strong Services backlog growth of 26% year-over-year to \$4.7 billion. Of this amount, we expect approximately \$527 million to convert into revenue in the second quarter of 2018.

Technology operating profit margin was 54.7% versus 15.4% a year ago. Non-GAAP adjusted Technology operating profit more than doubled with an increase in operating margin from 15.4% to 29.9%. This reflects a stronger first quarter than we had anticipated for Technology. And so we expect that the second quarter as compared to the first quarter this year will be down about \$5 million versus the \$87 million we just reported for Q1. Although we don't guide on a quarterly basis, we think that the consensus estimate for non-GAAP operating margin that we have seen on Capital IQ may be high by about 70 basis points. We expect our total company non-GAAP operating margin to be more like 6% largely due to the Q2 expectations I just noted on Technology revenue and the high margins that are associated with our Technology business.

Slide 11 provides more detail on cash flow. Operating cash flow for the quarter was negative \$50.2 million. Adjusted free cash flow for the quarter was negative \$50.8 million slightly better than our expectations. The principal reasons for the year-over-year differences in this quarter were largely the timing of working capital needs and the increase in CapEx due to the investments we have discussed at iPSL our joint venture for check processing systems in the UK. Again, we get reimbursed for this spending by our JV partners.

As you all are aware and as many other companies have had to do as well, we were required to adopt new revenue recognition requirements known as ASC 606 on January 1, 2018. Our non-GAAP adjusted numbers exclude the benefit we gained from ASC 606. You can see further detail of the impact of ASC 606 on slide 17 of our presentation, as well as further detail in our Form 10-Q to be filed this week. Also, consistent with the required accounting changes, the majority of our post-retirement expense now falls below the operating profit line.

As Peter noted, we are reaffirming full year 2018 financial guidance that we previously provided. We are reaffirming our guidance of 7.75% to 8.75% for operating margin. On a GAAP basis, this range would be 9.5% to 10.5%. Our guidance for adjusted EBITDA margin remains 13.7% to 14.9%. For non-GAAP adjusted revenue, our guidance range remains \$2.7 billion to \$2.825 billion, representing a minus 2% to plus 3% year-over-year growth rate.

Although it is still early in the year and we can't foresee macro events that could play out over time, based on what we see in the business so far, we believe that there is a good chance we will be in positive growth territory for non-GAAP adjusted revenue for the full year. Our range for GAAP revenue remains \$2.75 billion to \$2.875 billion, representing flat to 5% year-over-year growth. We are pleased with our results for the first quarter and how they position us relative to these full year goals, and we look forward to continuing to execute during the second quarter.

Question & Answer Section

Operator: Thank you. We will now begin the question-and-answer session. And our first questioner today will be Frank Atkins with SunTrust. Please go ahead.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: Thanks for taking my questions. I wanted to ask first about the cloud and infrastructure services component of the business. Can you highlight any areas of strength or weakness within that?

A – Peter Altabef – Unisys Corp.: Yeah, Frank. Thanks for the question. We tend to divide cloud and an infrastructure between what we call our global workplace and then the more if you will cloud initiatives, so it's really between those two. If you look at the entire number or if you segregate the two, the biggest change quarter-on-quarter is really that contract we referred to. So from an operating margin standpoint, that was really kind of the big difference between the two quarters. And from a revenue standpoint, that was the driver between the two quarters as well. So if you take that out, I would tell you we feel good about the progress we're receiving there.

As I mentioned from an efficiency standpoint, we're really beginning to build up and we'll get to what I would call market norms for the efficiency of the CIS business outside of global workspace. In global workspace, we have an enormous effort underway to really become a leader in efficiency. We're already a leader in the market. I mean we are considered by Gartner the most effective executor in the entire space. But from an efficiency standpoint, we still have had a ways to go to get profitability. With respect to CIS in general, we expect the profitability to grow and the margin to grow over the course of the year. So I would say all good news with a very, very difficult compare to that one time contract last year.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: Okay. Great. And my second question was going to be about the people side of the business. Can you give us some update in terms of total head count or head count by geography and some commentary on utilization or attrition trends?

A – Peter Altabef – Unisys Corp.: Yes, I can. So, if we look at head count during the quarter, we started the quarter with about 20,466, we ended the quarter with 20,742, which is a bit of a change from our head count in the past, which has kind of gone down. And part of the reason you see head count going up, is because of all of the new business that we largely signed in the back half of last year as we begin to staff to that, and now, we will be adding to that the new business we signed in the first quarter of this year. So as we look at head count over the course of the year, we really have two things going on. We will continue to drive head count down, if you will, on the base business, continue to get more effective on the base business, but all of the new business we have signed, which as Inder mentioned, we expect to result in positive revenue over the year will actually drive net head count slightly up for the year. Now that said, as you also saw, we're giving you metrics on revenue per associate or per – and we expect that revenue to go up. So we're really managing the line between who's a contractor, who's not a contractor, how do we make sure that we're acting more effectively by having more efficiency per FTE. But this is going to be a little bit of an inflection point for us and that we do expect net head count to go up over the course of the year, but that's for a good reason, that's because we're signing all this new business.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: Okay. And last one for me for Inder maybe, if you could talk a little bit about the relationship between cash flow from operations and EBITDA. We had a little bit of a swing in payables this quarter. What are some of the factors driving that timing?

A – Inder Singh – Unisys Corp.: Yeah. Most of the numbers this year if you can think about it is working capital related. And as we begin most years and especially as we're starting to accelerate here in terms of momentum, revenue, backlog and all of the metrics that Peter talked about, you can imagine that we're going to be putting a little more into our working capital as we try to drive the growth of the business. As I look at it though, the working capital efficiency project, that I've discussed with you in prior quarters, continue to play out for us and we expect it to continue to play out, improve working capital efficiency for us for the rest of the year, Frank. I do believe that we've made really good headway on, call it, cash conversion cycle. That was down from 38 to 34 days this year. So as I look at the way we are utilizing our AR inventory and payables spread, I think we're being very efficient. But in the quarter, what you saw was a reflection of the investment for the growth of the business.

Q – Joe Vafi – Loop Capital Markets LLC: Hey, guys, good afternoon, and good bookings numbers, congratulations on that. I thought perhaps maybe I had a question on your 12% debt and given the momentum in the business, I was wondering if that's something that you could potentially think about perhaps refinancing earlier rather than later. And then, on your new logo win, I'd love to get a little bit more color on the process there, and the kind of overall competitive environment and why you think that that may be a repeatable go-to-market for you. Thanks.

A – Inder Singh – Unisys Corp.: Yeah. Thank you very much for that question, Joe. I think I just want to clarify something you said. We actually don't have 12% debt. We have 10.75% debt. I wish it was single digit. But as I look at that, we took on \$440 million of capital last year. We felt that we needed that for our five-year window. It's not something we needed today, tomorrow, or the day after. But it's something that as we build the strategy and execute the strategy that Peter and the team have been driving, we felt that we would need to have the capital that we need over that five-year period for things like working capital, things like use of investments in the business, and R&D. As you know, we continue to invest in R&D. In fact, we're investing quite a bit of money this year and as well in driving the innovation across our ClearPath Forward to make it even more cloud based, to drive our Stealth cybersecurity solution and then also the nine offers that we've rolled out now.

So what we have here, I think, is a stronger balance sheet is the way I look at it. Would I want to finance it down at some point? That's always possible sometime in the future. I don't expect that we would be necessarily thinking of that in the next 12 months or so. But that said, it's good to be as we ended last year and as we ended this quarter, in a very strong financial position with more than enough capital. And to be candid, I think having that very strong balance sheet enables us to be even more attractive as a provider of services to many of our clients.

So, I feel good about where we are and we'd love to get that 10.75% rate down one day. I don't expect that'll happen tomorrow unless you have some suggestions for me, Joe. I'll always listen. But to your point, that strong capital structure is what's allowing us to now win new logos. And I'll let Peter answer the new logo question.

A – Peter Altabef – Unisys Corp.: Yeah. Well, thank you, Inder. And Joe, you begin – look, you didn't begin, you saw pretty clearly in the back half of last year a pretty dramatic increase in new logos, in sales in general, obviously in new business, which includes both new logos and new scope. And when you look at the first quarter performance, it really is a continuation of what you saw toward the back half of last year. Obviously, the compares are going to get harder because you had such strong effort in the back half of last year. But I would tell you, we feel very good about – this stuff is going to be lumpy quarter-to-quarter, but we feel very good about our increasing competitiveness and increasing relevancy.

This idea of building differentiated security into our solutions is really kind of taking hold. The TSA contract that I discussed was absolutely one. You may recall a contract at the end of last year with the European Central Bank similar. Obviously, we won a large Stealth contract with Australian Department of Defense and Immigration this year, and so it really is – Stealth is becoming something that we kind of are very, very capable now of inserting in these deals and it is really helping us win large deals.

Now we had two very large deals in the quarter. So, one was an expansion and renewal with Customs and Border Protection here in the United States. That deal alone would have been one of the largest deals we have signed in a very, very long time but for the new logo deal which was even larger. Customs and Border Protection is an agency we are extraordinarily proud of our work for, and we continue not only to sign renewals with them, but to expand our footprint with them. That was one of the kind of leading indicators last year. It resulted in a very high ACV number last year. Because of that, the ACV compares will be difficult this year, especially as we moved from project work there to longer-term contracts this year.

With respect to the new logo contract win, it was interesting, Joe. It was a full RFP approach as you would expect, and the competition was very significant as you would expect. I will tell you our approach to the relationship was somewhat different. Even though it was an RFP, we very much approached it as a consultative sale. And we were willing to really kind of go out of the ordinary kind of boxes although we conformed to the RFP. We went out of the boxes in terms of really trying to get the client's mindshare around the deal. And I will tell you that was very, very effective. You've heard Eric Hutto speak about more of a consultative approach. That's clearly helping us with the smaller deals as we're increasing the number of smaller deal new logos. It's interesting that we're actually seeing that work with the larger deals, even deals that are in an RFP context. And that's what you saw here.

So yes, it was due to capabilities. Yes, it was due to some of the security we could put into these contracts. But in the case of that very large deal, I would actually make it more important, the kind of changing sales dynamics about being

more consultative. So yes, we do think it is not only sustainable, but we think we can win more deals of its kind going forward.

Q – Joe Vafi – Loop Capital Markets LLC: Great. That's helpful and congrats on that. Is there any further updates on the pension side of the business at this time? I know last quarter we had a nice positive amount of news there, I was wondering if there's anything else that you may want to share with us.

A – Inder Singh – Unisys Corp.: Thank you for that question, Joe. We talk about our pensions and we update our pension calculations, as you know, on an annual basis effective the end of the year. So, 12/31 of each year is when we actually go through a recalculation of what the obligations are both from a GAAP deficit standpoint as well as from a 10-year standpoint. And to your point, we were actually very pleased to see those go down by 18% at the end of last year and a lot of that frankly was through actions that the leadership team took to help manage them in a proactive way and make sure that we were striking the right balance for our pensioners for sure. We continue to act very thoughtfully in terms of how we manage those. As we noted at the call for the fourth quarter earnings, we are looking at other things that we can do by way of helping manage the volatility of the assets and liabilities in that portfolio and there are certain investment strategies that you can follow. I'm sure you're familiar with areas like LDI and other strategies that other companies have done as well. So we're trying to be very thoughtful and proactive and leaning forward into managing those obligations. At the end of this year of course, we'll update you one more time on how the pensions behaved over the course of this year. But the entire team is focused on making sure we remain focused on the GAAP deficit as we calculate it and of course, that is interest rate sensitive, but also frankly the cash obligations which depend on a number of other things including actuarial assumptions and so on. So long answer to your short question, but it was a thoughtful question and I thought I wanted to give a fulsome answer.

Q – Jamie Friedman – Susquehanna Financial Group: Hi it's Jamie with Susquehanna. I'll just ask my two upfront and then jump back in the queue. But Peter in your prepared remarks, you had mentioned the labor related metric. Thank you for that. I was just wondering if you could help us apply it like how we should think about that from a financial analytical point of view. That's the first one. And then Inder, any seasonal callouts that you should make us aware of as we're building the model going forward? So, one about the labor, and two about the seasonality. Thank you.

A – Peter Altabef – Unisys Corp.: Right. So, Jamie, on the labor as I pointed out, that's actually at a continuation and expansion of something we started actually when we started reporting on last year's numbers. You can expect to see us get more granular and more numeric. As the company is now building new sales, as the revenue which you've heard from Inder we expect to turn into positive for the year, as profitability continues to grow and it's grown in the past – each of the past two years. So as all of that kind of comes into play, the metrics that are driving that get a bit crisper because you're working off growth as opposed to working off kind of getting to the – to your foundation from which to grow.

So we started with a metric that you saw last year about FTEs per managed device. That's a very important part of our business. We're continuing to report on that metric. And now we've added a new metric to that which is kind of the badged labor as a percent of revenue. There's kind of two ways to deal with why that's important to us, one is at an absolute level and the other is at a relative level. So at an absolute level, we're working very hard to create kind of pure efficiencies on that badged labor as a percent of revenue. And what I mean by that is whether it is field engineers making calls, whether it is code that people is writing et cetera, et cetera, we simply are working at getting more efficient at doing what we're doing. That's the absolute.

The relative is our efficiency at the mix. So that is not only do you get absolutely better but you also get better at blending between who is a badged hire and who is a contractor. And we're giving you the number at a corporate level. It's interesting when you look at it underneath the covers at Enterprise Solutions, that number is moving a little even more powerfully than you see, while the Federal number doesn't necessarily work that way. Because the Federal business is so tied to heads that really have to be part of our team, you don't really get the opportunity to mix and match quite as much. But it is really, really an area of focus for us. So I do expect that percentage to continue to improve kind of over the course of the entire year. Those are two metrics we're putting in front of you guys, now, Jamie. You can expect us to add more as the year goes by, so just as a preview.

A – Inder Singh – Unisys Corp.: And just on the seasonality part of your question, I think that what I wanted to make sure that you heard and we were clear with was that as we look at our full year, we obviously we reaffirm our guidance for operating margin 7.75% to 8.75% on a non-GAAP adjusted operating margin basis. So, we feel good about that range. The seasonality aspect of it is always the one that we want to make sure that we stay ahead of where you are thinking of it as well.

So that was a very specific number that I shared with you about our Q2. We had a very strong revenue quarter for Technology in Q1. We're pleased to see the \$87 million. In fact, it was higher than we thought it would be. Q2 as we look at it, I told you it was about \$5 million down from that in a total volume standpoint, so call it \$82-ish million. And what does that mean? That just means that our operating margin, blended operating margin for the quarter is around 6%. That is Services and Technology combined. And that was off like 70 basis points from where we saw the Street numbers and we just thought we would point that out to you that we're thinking 6%. As we look at the full year, it's still the same range, but the seasonality is what we wanted to highlight for you.

A – Peter Altabef – Unisys Corp.: Yeah. And I'd add to that Jamie. And again we've done some analysis in this area. Particularly when we talk about the Technology business, it obviously is when we talk about getting a little more consistent about that, it is a seasonal business in the sense that if you plot our numbers over the past several years, you could pretty clearly see the range at which we operate in the first quarter, the second quarter, the third quarter, and the fourth quarter. And I think we've just gotten much better under Inder's leadership and the finance team in general at really kind of understanding the inherent seasonality and where we expect that seasonality to be a little off from year to year. And so, you see a little bit of a swing into the first quarter above where we ordinarily would be and it comes out of the second quarter. But it's actually much better understood than it has been here in a long time.

Q – Matt Galinko – Sidoti & Co. LLC: Hey. Good afternoon. Thanks for taking my question. You highlighted growth in the Stealth win rate so I was hoping you could expand a little bit on that, especially in the context of I think you mentioned you're injecting Stealth into more of your deals now. So just kind of how do you drill that into a win rate for Stealth individually and then what's driving the expansion there?

A – Peter Altabef – Unisys Corp.: Yeah. So, we're really using Stealth in three pretty discrete ways. So and keep in mind Stealth itself has evolved, right? So if you think of that a few years ago, it was really a microsegmentation product that really worked inside a private cloud data center, right? And it has now evolved from inside that private cloud data center to also in the public cloud and moving data between public and private. And then it evolved into biometrics and advanced identity as well as that microsegmentation. And then finally, now this past month, it has really become very robust in an Internet of Things context, all right? So Stealth itself is evolving, but we use it three ways.

One way is as a pure license. So, if somebody wants to put Stealth into their environment, whether it's a data center or whether it's into certain applications, we're happy to license it and put Stealth in there. The second is part of that broader security services offering. So you heard today about several of our offerings, we have partnerships with Cylance, we have partnerships with LogRhythm. And we are using Stealth as one of our contributions into those offerings. So Stealth becomes kind of inherent in our managed security offering as well.

And then the third, and I got to tell you I think the law of large numbers at least initially, right now, we're seeing probably the most significant advances for us in the third, which is where Stealth is used as a differentiator in larger contracts such as the TSA contract, such as the European Central Bank where they're not pure security deals right? So whether it's global workspace, whether it's managed infrastructure, whether it's network, whether it's data center, whether it's cloud migration work. Stealth has a relatively modest part of the revenue equation there, but it's actually helping differentiate on a much larger deal. So, while the revenue numbers for Stealth are still pretty small, we see a very good clip of expansion of clients. And in part that's because the business with those clients is expanding not only for Stealth, but for things that go in as part of that package. So the win rate number is actually quite substantial for us. That 18 point win rate is a big deal, because what we're really seeing is and of course that's based on value, because what we're seeing is that it is really beginning to drive much larger value.

A – Inder Singh – Unisys Corp.: And I'll just piggyback on that. I think you're right to focus on our Stealth product in terms of the differentiation it brings to us and frankly allows us to differentiate \$3 billion of revenue potentially, as we go to market. So yes, a strong cybersecurity solution, but as we think about our security business it's in three aspects, one is cybersecurity, which obviously Stealth is the tip of the spear and now Stealth is a portfolio of things, not just the original Stealth product, but there's a core version, there's a mobile version, there's a cloud version and so on. We also have logical security, which is very high end analytics. And Peter talked about that in his remarks and some of the wins that we had in that. And so while we were very, very strong in U. S. and Canada in deploying much of our analytics capability, we've now productized that and started to offer it to other clients around the world.

You already saw where we were able to win a deal in Australia and a long-term contract there. And we are also, with our LineSight product, now able to bring this capability to other geographies around the world. So, logical security and then I would just add physical security, which is as I would call it advanced and involves IoT as many of our other capabilities. So when you look at that basket of things, I would – and by the way, it's not the way we necessarily manage the business on a day to day basis, but that basket of capabilities is what's driving and helping drive many of the win rate outcomes and many of the TCV win outcomes that we talked about.

A – Peter Altabef – Unisys Corp.: Yeah, no. I agree, Inder. Obviously, we talked this quarter about the new contract with the CBP in the U.S. and about the new contract in Australia. But our ability to really help governments now around the world, and there are governments that we haven't discussed, with respect to border security is we believe leading edge. And we believe it's coming at the right time for the market. LineSight has been in development for a long time and it's just been released in the past six weeks. It will take a while for governments to adopt it, but we're getting very significant, very welcome interest very quickly on that. So that is a whole element of security. And some of that might touch some of Stealth, but it's also quite independent of Stealth. And honestly, the revenue numbers are larger than Stealth. So we are not a one-trick pony when it comes to security. And we are really, truly building security throughout our portfolio.

Operator: This concludes our question-and-answer session. I would like to turn the conference back over to Peter Altabef for any closing remarks.

Peter Altabef, CEO

Thank you, operator. I'd like to thank each of our questioners during the call. We greatly appreciate your time and focus on us. We're excited about the momentum we're seeing throughout the business, and look forward to speaking with you next quarter. And Inder and I, Courtney and the team remain available to you to answer questions throughout the quarter. You will also continue to see more detail in our Investor Relations website and we urge you to take a look at that detail as well. So, thanks very much.