



Third-Quarter 2014 Financial Results

www.unisys.com/investor

Ed Coleman | Chairman & CEO
Janet Haugen | SVP & CFO

October 21, 2014

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 Earnings per Diluted Share, Free Cash Flow, EBITDA, Adjusted EBITDA, Operating Profit before Pension Expense 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 October 21, 2014 and Unisys undertakes no duty to update this information.

Ed Coleman

Chairman & CEO

3Q14 Overview

- Strong quarter for Unisys
- Grew revenue 11%
- Tripled pre-tax profit vs. 3Q13
- Net income of \$47.8M vs. 3Q13 net loss of \$11.6M
- Services revenue up 6% led by growth in ITO and SI
- Technology revenue up 66% on higher ClearPath sales
- YTD Technology revenue up 2%

Our Vision:

The “All x86” Software-Defined Data Center

Unisys Technology Investments in the x86 Software-Defined Data Center



Mission-critical computing attributes

Agile computing & improved business continuity

Flexible management of multiple cloud providers

Integrated management across all IT services

Improved security & risk management

Applied individually, or in combination, our technology products provide the necessary...

Agility + Flexibility + Manageability + Security...

All delivered via software...

To jump-start the client journey to a modernized, cost-effective, x86 software-defined data center...

Supporting today's new scope of mission critical computing

Our technology investments in ClearPath, Forward!, Choreographer, Edge and Stealth provide a core management stack which is the “brain center” of the new hybrid datacenter... all delivered via software...

Services In Support of a Modern Mission-Critical Operation



Seamless and uninterrupted **customer and employee experience**

Persona-based end-user support across multiple channels and devices

Service improvement through increased use of **analytics**

Seamless provisioning and integration of applications **across multiple platforms**

Certified delivery processes

Capability delivered via an **“as a service model”**

Janet Haugen

Chief Financial Officer

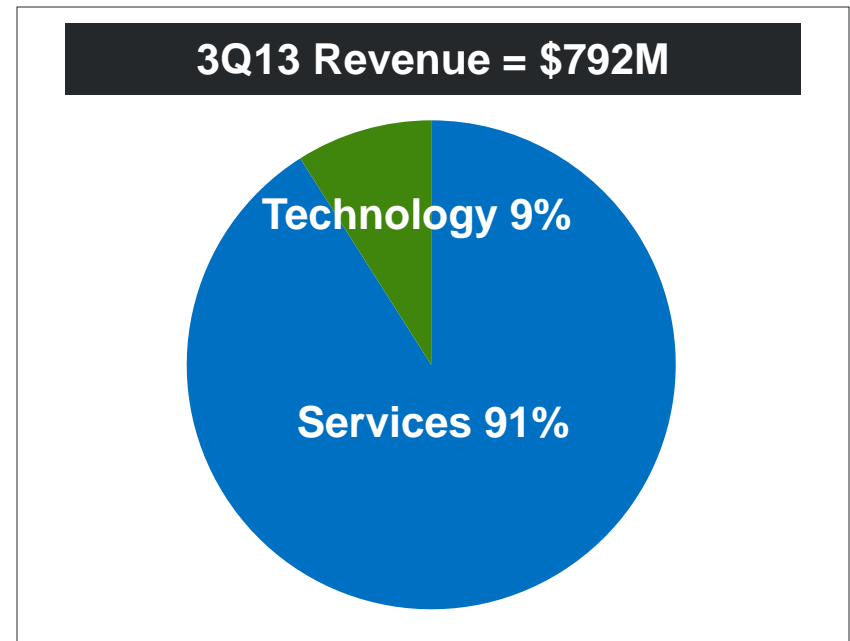
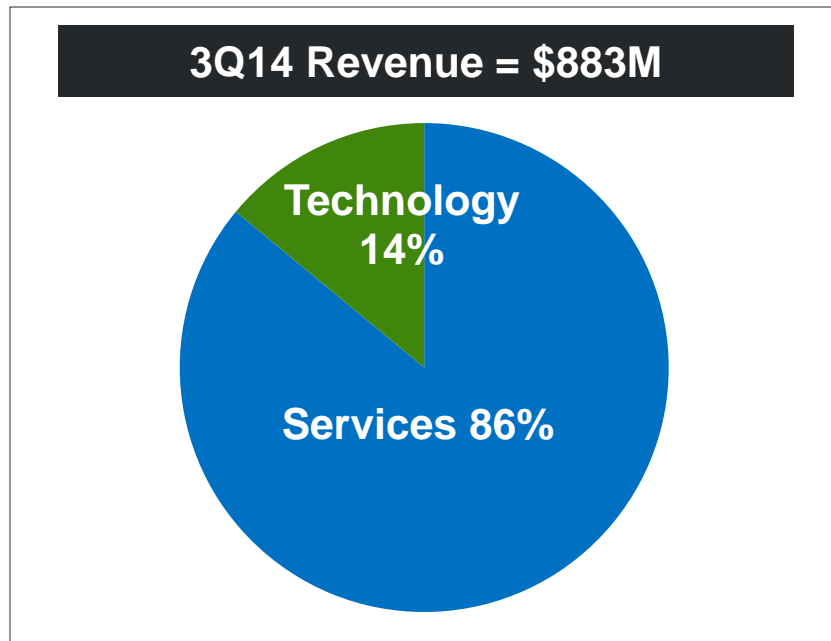
Financial Results

\$M (excluding EPS)	3Q14	3Q13	Y/Y Ch	YTD14	YTD13	Y/Y Ch
Revenue	\$883	\$792	11%	\$2,451	\$2,461	Flat
Gross Profit	\$235	\$172	37%	\$533	\$533	Flat
Gross Profit Margin	26.6%	21.7%	4.9 pts	21.8%	21.7%	0.1 pts
Operating Expenses (SG&A plus R&D)	\$158	\$148	7%	\$461	\$469	(2%)
Operating Profit	\$77	\$24	219%	\$73	\$64	14%
Operating Profit Margin	8.7%	3.0%	5.7 pts	3.0%	2.6%	0.4 pts
Other Income (Expense)	\$3	\$2		(\$9)	\$11	
Pretax Income	\$78	\$24	230%	\$57	\$67	(15%)
Tax Expense	\$26	\$27		\$62	\$71	
Net Income (Loss)	\$48	(\$12)		(\$18)	(\$25)	
Earnings (Loss) per Diluted Share	\$0.95	(\$0.26)		(\$0.36)	(\$0.57)	
Non-GAAP Earnings per Diluted Share*	\$1.30	\$0.25	420%	\$0.75	\$0.94	(20%)

See Schedule *A: GAAP to non-GAAP Reconciliation

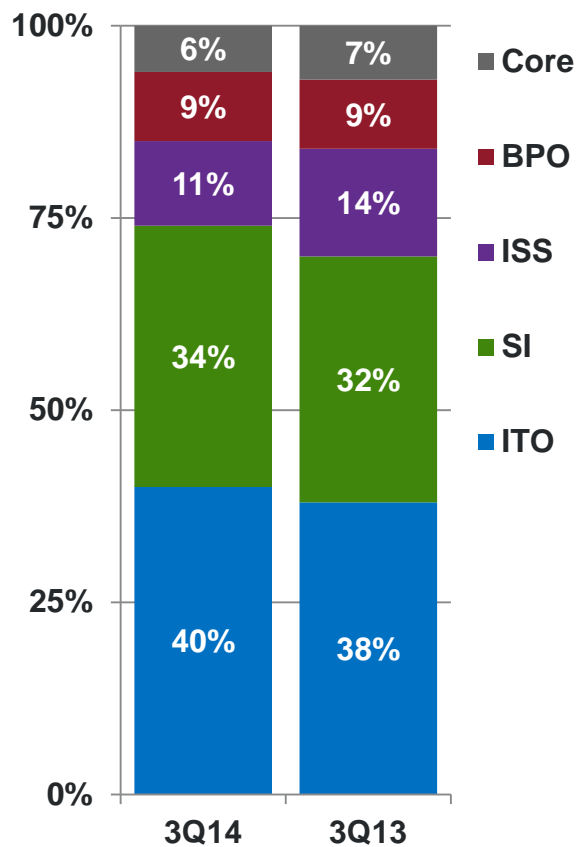
3Q14 Segment Revenue

- Services revenue up 6% Y/Y; up 7% sequentially
- Technology revenue up 66% Y/Y; up 28% sequentially



Services Revenue by Portfolio

Services Revenue

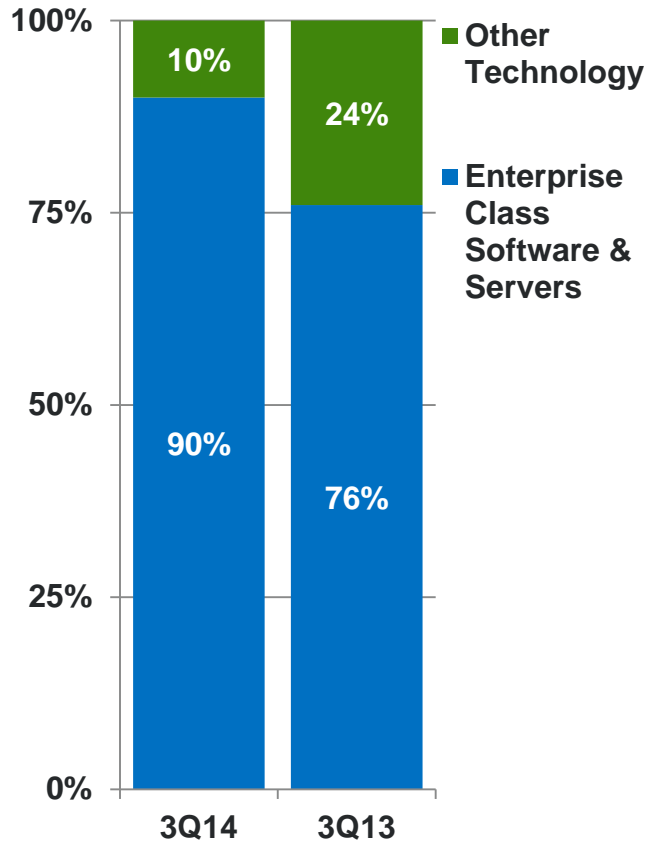


Services portfolio revenue as a % of Unisys services revenue

\$M	3Q14	Y/Y Ch	YTD14	Y/Y Ch
Services Revenue	\$763	6%	\$2,167	(1%)
Gross Margin	19.5%	(160 bps)	17.4%	(150 bps)
Operating Margin	6.9%	(80 bps)	4.4%	(50 bps)
Revenue by Portfolio	3Q14	Y/Y Ch	YTD14	Y/Y Ch
Information Technology Outsourcing	\$303	9%	\$873	1%
Systems Integration	\$263	16%	\$691	2%
Infrastructure Services	\$84	(20%)	\$266	(16%)
Business Process Outsourcing	\$66	6%	\$199	6%
Core Maintenance	\$47	(2%)	\$138	Flat

Technology Revenue by Portfolio

Technology Revenue

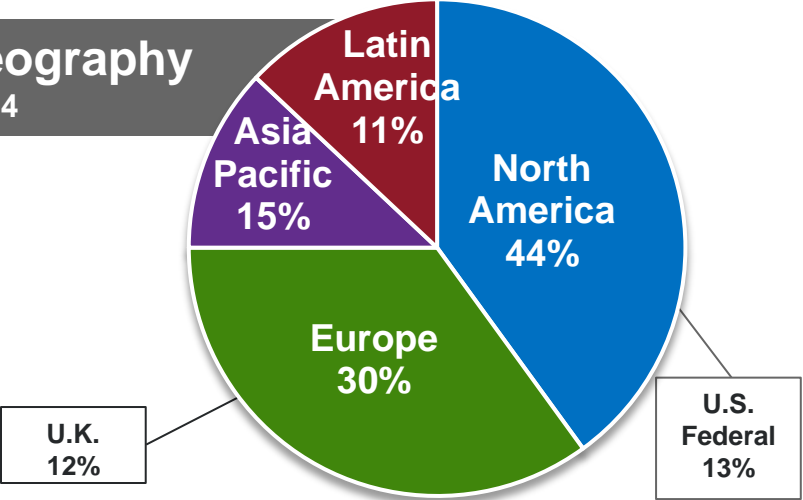


Technology portfolio revenue as a % of Unisys technology revenue

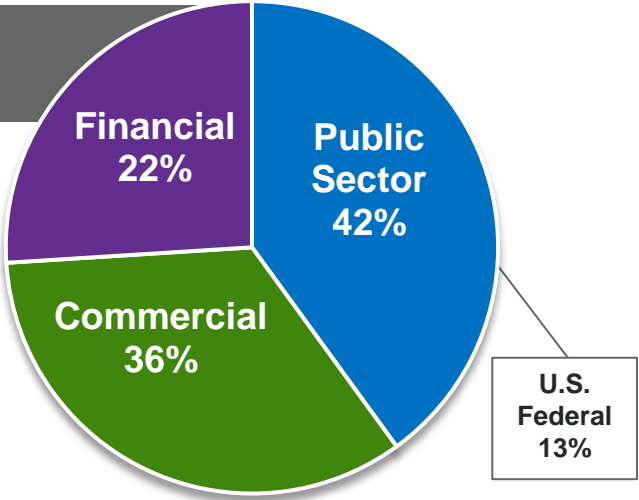
\$M	3Q14	Y/Y Ch	YTD14	Y/Y Ch
Technology Revenue	\$120	66%	\$284	2%
Gross Margin	61.5%	2,620 bps	53.5%	510 bps
Operating Margin	25.5%	3,650 bps	7.2%	50 bps
Revenue by Portfolio	3Q14	Y/Y Ch	YTD14	Y/Y Ch
Enterprise Class Software & Servers	\$108	97%	\$261	6%
Other Technology	\$12	(30%)	\$23	(26%)

Unisys Revenue Profile

Geography 3Q14

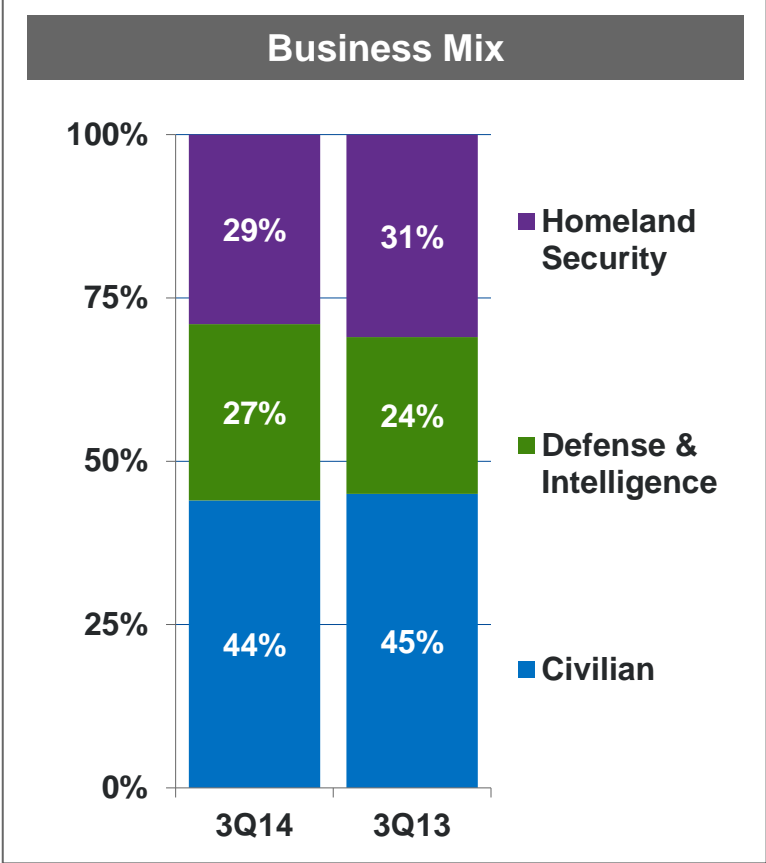


Industry 3Q14



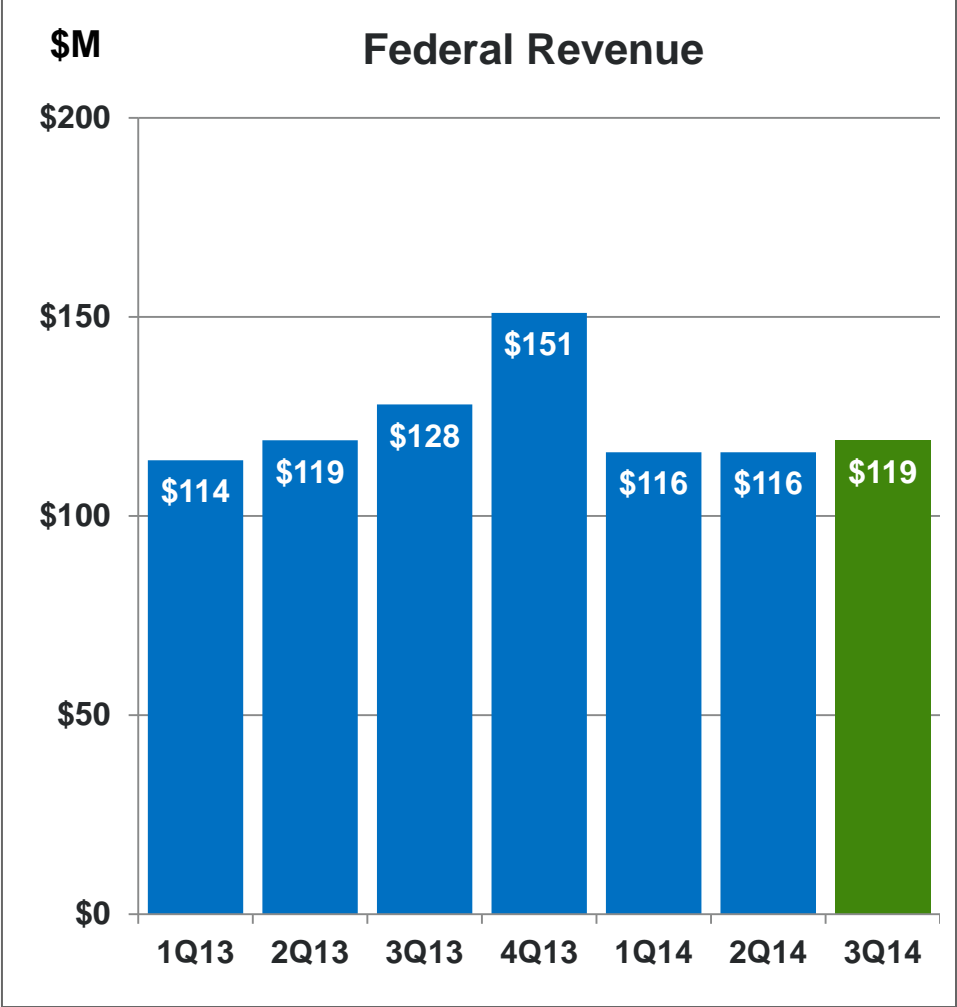
	3Q14 Y/Y	YTD14 Y/Y
North America	11%	(1%)
Europe	2%	3%
Asia Pacific	35%	(3%)
Latin America	13%	(4%)
	3Q14 Y/Y	YTD14 Y/Y
Public Sector	16%	Flat
Commercial	9%	(3%)
Financial	8%	4%

U.S. Federal Government Business



Revenue Y/Y

3Q14	(7%)
------	------



3Q14 Services Order Highlights

- Services orders down Y/Y and sequentially
- Services orders by portfolio:
 - Orders grew in ITO, Systems Integration, Core Maintenance, and BPO
 - Orders declined in Infrastructure Services
- Services orders by geography
 - Orders grew in Asia Pacific and North America
 - Orders declined Latin America and Europe
- Closed 3Q14 with \$4.4B in services backlog vs. \$4.8B at 3Q13 and \$4.7B at 2Q14
 - \$630M of Services backlog expected to turn into 4Q14 revenue

Cash Flow Comparison

\$M	3Q14	3Q13	YTD14	YTD13
Cash Flow From Operations	(\$8)	\$16	\$16	\$46
Capital Expenditures	(\$54)	(\$39)	(\$144)	(\$103)
Free Cash Flow*	(\$62)	(\$23)	(\$128)	(\$57)
Pension Funding	\$58	\$40	\$161	\$102
Free Cash Flow Before Pension Funding*	(\$4)	\$17	\$33	\$45
Depreciation & Amortization	\$45	\$41	\$126	\$121
EBITDA**	\$121	\$63	\$179	\$187
Adjusted EBITDA**	\$139	\$86	\$235	\$256
Cash Balance at September 30			\$477	\$556
Debt Balance at September 30			\$215	\$210
Net Cash at September 30			\$261	\$346

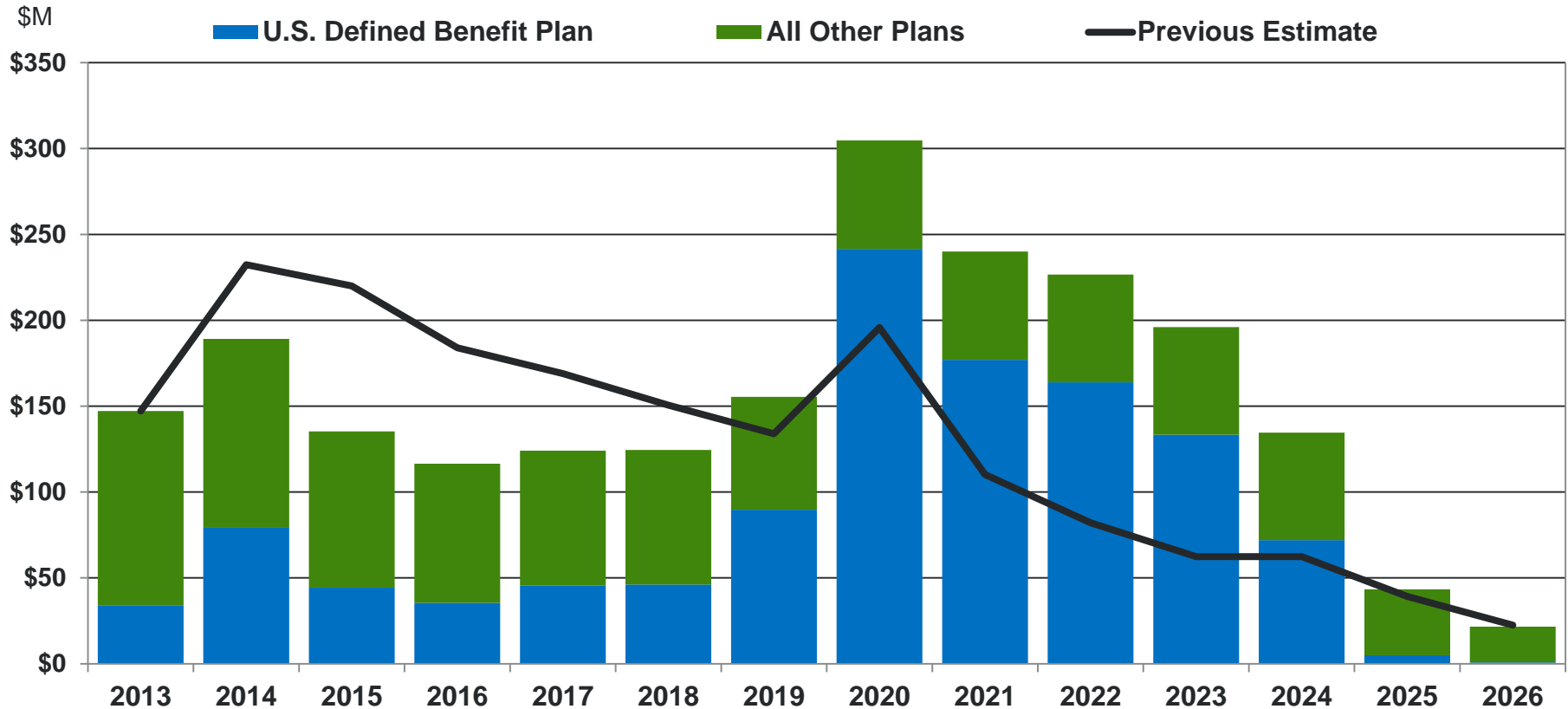
See Schedule *B: and **C: GAAP to non-GAAP Reconciliation

Defined Benefit Plans Cash Funding Estimates

Cash Funding Requirements (\$M)		2013	Estimates					2019
			2014	2015	2016	2017	2018	
Previous Estimates	U.S. Qualified Defined Benefit Pension Plan	\$34	\$126	\$132	\$105	\$92	\$74	\$69
	Other Defined Benefit Pension Plans	\$113	\$109	\$88	\$79	\$77	\$77	\$65
	Total	\$147	\$235	\$220	\$184	\$169	\$151	\$134
Current Estimates	U.S. Qualified Defined Benefit Pension Plan Under The Highway and Transportation Funding Act	\$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

All estimates are based on actual asset returns and discount rate assumptions as calculated at December 31, 2013 except for the expected return and discount rates used for the U.S. qualified defined benefit plan which has been updated for our estimate of the impact of recent U.S. legislation. These are likely to change for 2015 and beyond based on -- among other items -- market conditions, published IRS discount rates, and changes in currency rates.

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 and changes in discount 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 Earnings (Loss) Per Diluted Share – Unisys recorded pension expense, net of tax, of \$17.9 million and \$22.6 million, respectively, during the third quarters of 2014 and 2013. Unisys recorded pension expense, net of tax, of \$55.1 million and \$66.8 million, respectively, during the first nine months of 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 \$18.1 million and \$23.4 million, respectively, during the third quarters of 2014 and 2013. Unisys recorded pretax pension expense of \$55.5 million and \$69.4 million, respectively, during the first nine months of 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.

Non-GAAP Financial Measures

Operating Profit before Pension Expense – Unisys recorded pretax pension expense of \$18.1 million and \$23.4 million, respectively, during the third quarters of 2014 and 2013. Unisys recorded pretax pension expense of \$55.5 million and \$69.4 million, respectively, during the first nine months of 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 before Pension Expense 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 Earnings (Loss) per Diluted Share

\$M except share and per share data	3Q14	3Q13	YTD14	YTD13
GAAP net income (loss) attributable to Unisys Corporation common shareholders	\$47.8	(\$11.6)	(\$17.8)	(\$25.1)
Pension expense, net of tax	17.9	22.6	55.1	66.8
Non-GAAP net income attributable to Unisys Corporation common shareholders	65.7	\$11.0	37.3	\$41.7
Add preferred stock dividends	--	4.0	2.7	12.1
Non-GAAP net income attributable to Unisys Corporation for diluted earnings per share	\$65.7	\$15.0	\$40.0	\$53.8
Weighted average shares (thousands)	50,245	43,811	49,144	43,883
Plus incremental shares from assumed conversion of employee stock plans and preferred stock	177	436	319	444
Adjusted weighted average shares	50,422	44,247	49,463	44,327
Diluted Earnings (Loss) per Share				
<i>GAAP basis</i>				
GAAP net income (loss) attributable to Unisys Corporation common shareholders	\$47.8	(\$11.6)	(\$17.8)	(\$25.1)
Divided by weighted average shares	50,422	43,811	49,144	43,883
GAAP earnings (loss) per diluted share	\$0.95	(\$0.26)	(\$0.36)	(\$0.57)
<i>Non-GAAP basis</i>				
Non-GAAP net income attributable to Unisys Corporation for diluted earnings per share	\$65.7	\$11.0	\$37.3	\$41.7
Divided by adjusted weighted average shares	50,422	44,247	49,463	44,327
Non-GAAP earnings per diluted share	\$1.30	\$0.25	\$0.75	\$0.94

Schedule B: GAAP to Non-GAAP Reconciliation

Free Cash Flow

\$M	3Q14	3Q13	YTD14	YTD13
Cash Provided by Operations	(\$7.5)	\$16.0	\$15.9	\$46.2
Capital Expenditures	(54.5)	(38.9)	(143.9)	(103.0)
Free Cash Flow	(\$62.0)	(\$22.9)	(\$128.0)	(\$56.8)
Pension Funding	58.2	40.3	161.3	101.6
Free Cash Flow Before Pension Funding	(\$3.8)	\$17.4	\$33.3	\$44.8

Schedule C: GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA

Earnings before Interest, Taxes, Depreciation and Amortization

\$M	3Q14	3Q13	YTD14	YTD13
Net Income (Loss) Attributable to Unisys	\$47.8	(\$7.6)	(\$15.1)	(\$13.0)
Interest Expense	2.3	2.4	6.6	7.7
Income Tax Provision	26.4	27.0	62.3	71.1
Depreciation & Amortization	44.5	40.7	125.6	120.9
EBITDA	\$121.0	\$62.5	\$179.4	\$186.7
Pension Expense	18.1	23.4	55.5	69.4
Adjusted EBITDA	\$139.1	\$85.9	\$234.9	\$256.1

UNISYS



www.unisys.com/investor