

**4Q16 Financial Release
CEO/CFO Statements
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Courtney Holben, IRO

Thank you, Operator. Good afternoon everyone, this is Courtney Holben, Vice President of Investor Relations, speaking. Thank you for joining us. Earlier today, Unisys released its fourth quarter and full year 2016 financial results. I am joined this afternoon to discuss those results by Peter Altabef, our 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 on our investor website. 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 (GAAP), 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 Expenses; 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.

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 from the Unisys 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 fourth quarter and full year 2016 financial performance and 2017 guidance. I will begin on slide four of the presentation.

At the beginning of 2016, we provided financial guidance for revenue, non-GAAP operating profit margin, and adjusted free cash flow for the first time in more than a decade. We are very pleased to report that we have achieved that guidance for both revenue and non-GAAP operating profit margin, and have exceeded it on adjusted free cash flow. These results are a significant step for our company, and were driven by a focus on a number of operational and financial goals we set entering 2016.

First, we successfully executed against our vertical go-to-market strategy, including hiring leaders of key sectors and industries within those sectors. We also launched several new offerings aligned with our security focus and vertical go-to-market strategy, including new applications and delivery methods for Unisys Stealth, and tailored solutions for our targeted industries.

These improvements helped to contribute to an increase in total contract value or TCV of 13 percent in 2016 versus 2015. We also continued the work begun in 2015 toward a more competitive and sustainable cost structure. Specifically, we achieved \$205 million of annualized cost savings exiting 2016 against our goal of \$200 million. We continued our transition to a more asset-lite business model, which resulted in reduced capex needs; and overall, we saw significantly improved cash flow, and were free cash flow positive for the year.

Lastly, we effectively managed our balance sheet and liquidity needs, including successfully placing convertible notes, and recently paying off early a portion of our pre-existing notes due in 2017. While there is still work to be done to further improve our EMEA business and our Services cost structure generally, we are very pleased with our results this year and the progress we have begun to better position the company.

Inder will provide more detail on the financial results shortly, but first I'll provide some color on a number of key initiatives. As I mentioned previously, we are continuing to evolve our Services delivery capability. Automation and artificial intelligence are getting very strong attention, as we believe these will help improve our efficiency, while also innovating new and improved solutions for our clients.

We are enhancing capabilities through autonomics and automation in two of our core business areas: Service Desk and Infrastructure Managed Services. Examples of this include the uses of BoTs, autonomics to direct voice and text calls to the service desk and use artificial intelligence to resolve the calls without the need for a service desk agent. Analytics will enable the BoTs to continually improve and handle more call resolution, thus reducing our level of staffing and increasing the quality of our services.

Within an infrastructure managed services, in 2016, we developed our Cloud Management Platform, or CMP, that enables our clients to implement hybrid cloud approach, using a highly software-driven and automated solution that requires minimal operational support. CMP will be rolled out globally early this year.

Industry-specific software-led solutions are another key initiative related to our strategy of vertical focus with deep domain expertise. We have recently introduced a number of new software-led solutions, and have plans for several other key launches in the near-term, some of which I will now highlight, along with some recent trends and key contracts signed in each of our sectors.

Our government sector consists of our U.S. Federal business and our Public business. Our U.S. Federal business has demonstrated a solid track record over the last two years, and saw a growth of its Services backlog in 2016, positioning us well entering 2017. A key contract in the quarter was a \$52 million engagement from a civilian government agency for support services and technology upgrades to the agency's ClearPath Forward hosting services.

Our Public business saw some of the largest contracts signed by the company overall during the year. As we previewed in our last call, in October, we launched Unisys Digital Investigator, a new total information management system that allows law enforcement agencies to share critical investigative intelligence across applications and boundaries. Digital Investigator is derived from our highly successful HOLMES product, used for murder and other serious crime investigations in the UK. Opportunities for Digital Investigator are already

being realized across our regions with initial deployment in EMEA, the Caribbean and Australia. We are also modernizing elements of the Dutch prison systems based on these tools.

Also within justice, law enforcement and border security, which is a key industry focus for us, we saw expansion of our border security work with eu-LISA, a client that manages large-scale IT systems related to border management and migration for the European Union.

Our Commercial sector is our most varied. The Life Sciences and Healthcare market is a key industry within Commercial. Later this quarter, we are planning to launch a new software solution called Unisys Active Assets. Active Assets provides a secure end-to-end solution to help hospitals track inventory and manage the lifecycle of medical devices. The solution integrates both internally- and externally-sourced information to help hospitals manage operational and compliance needs on a real-time basis. For example, Active Assets captures data published by the FDA and medical device manufacturers, indicating modification and maintenance of medical devices necessary to ensure proper function and safe monitoring and care of patients. Active Assets then sends automatic alerts to the hospital and to associated field personnel, indicating the required maintenance and parts, which limits downtime, while enhancing device reliability and safety.

In this quarter, our biggest Commercial sector transaction was with Dell Technologies, which renewed a contract for us for three years to provide enterprise and client support and onsite field services.

Our Financial Services sector was the most recent of the three sectors to have a leader put in place, and so has been behind the others in the refinement of our vertical go-to-market strategy. We are now making significant progress, including developing a new software solution called Elevate by Unisys, which is an end-to-end retail digital banking solution, enabling financial institutions to deliver an instant, secure omni-channel experience, and simplify the complexity of existing systems. Customers will be able to pay their bills on the go, transfer funds and apply for loans and mortgages anytime, anywhere on a secure basis. We are initially launching the solution in EMEA and APAC later this quarter.

A key win within financial services this quarter was with Nationwide Building Society, the world's largest building society. We are expanding our existing relationship to include our Data Exchange solution to support a major data management and analytics program tasked with ensuring the congruency of Big Data in motion as information moves from core databases to other repositories. In addition to maintaining the integrity of the data, the solution is designed to make information available much more quickly to meet new regulatory and industry demands.

Turning to our focus on security as a pervasive part of everything we do, both in dedicated security offerings and as a differentiating feature across our entire portfolio of offerings, we had a very busy quarter. We believe that many of our core competencies are well-aligned with some of the key themes being seen globally today, including worldwide focus on border security and cyber security.

In December, we launched a new version of Stealth software called Stealth (aware), which automates implementation of our Stealth platform, making advanced digital protection more accessible to organizations. Built-in analytics and an improved graphical user interface provide immediate insight into security risks and allow for automatic configuration and deployment of Unisys Stealth protection throughout the extended enterprise.

Although revenue generated by Stealth is still small, we continue to be encouraged by its trajectory, including full-year growth in corporate clients of 35 percent year-over-year, and a seven-fold increase in qualified pipeline year over year, which was also up 26 percent sequentially versus the third quarter. We believe that the introduction of Stealth (aware) is an important step in making the offering more user friendly, which we anticipate will help sales going forward.

Stealth signings included a recent EMEA-based contract through the partnership we announced previously in the year with Mitel. We have partnered with Mitel to provide a series of security enabled new offerings for their mobile and enterprise customers based on our Stealth (mobile) security product.

In terms of outlook for the company in 2017, our focus will be on continuing improvements to operational efficiency and go-to-market effectiveness as well as investments that drive future growth. We are focused on a number of key revenue campaigns including security, industry specific software solutions, analytics, and ClearPath Forward services. We expect the new solutions I mentioned earlier to begin contributing more meaningfully to revenue by the second half of 2017.

We have also begun to improve our penetration of services offerings with our ClearPath Forward client base, which we expect to continue in 2017. And in addition to the company's traditional focus on longer term contracts, we have been ramping up our consulting and project capabilities. These capabilities will not only drive revenue in their own right, but form the basis for "land and expand" opportunities with new clients.

In conjunction with all of these initiatives, we have hired Ann Sung Ruckstuhl as our Chief Marketing Officer to help further enhance our go-to-market effectiveness. Although we believe these trends represent opportunities for the company and position us well longer term, it is too early to build significant impact of many of these into near-term forecasts. Some of the recent TCV and pipeline trends are expected to have benefits that extend over the longer term.

We are guiding 2017 revenue slightly lower than 2016 at \$2.65 billion to \$2.75 billion, which is an improvement against the 2016 revenue decline, and positions the company for future growth.

Additionally, we aim to further improve profitability of the Services segment and our business overall, and are guiding total company non-GAAP operating profit margin to 7.25 percent to 8.25 percent.

We had a particularly strong adjusted free cash flow in 2016 that Inder will discuss in detail. And we are guiding to \$130 million to \$170 million on this metric in 2017.

And with that, I'd like to welcome Inder Singh, who is joining us for his first earnings call in his new role as CFO of Unisys from his previous role as Chief Strategy and Marketing Officer.

Inder Singh, CFO

Thanks, Peter. Hello, everyone. Thanks for joining us this afternoon. In my comments today, I'll provide comparisons on a GAAP and non-GAAP basis. Just to remind you, the non-GAAP results exclude pension expense, cost reduction and other charges.

As Peter highlighted, we delivered on our full-year guidance with revenue and non-GAAP operating profit margin coming within the ranges we guided at the beginning of 2016; and adjusted free cash flow exceeded the range we had provided. We are very pleased with our results for the year and that we delivered on what we told you we would do at the beginning of last year. We are particularly proud of the cash flow that we were able to generate over the course of the year. We believe that we have the right strategies in place to continue to make improvements both operationally and financially.

Turning to slide 6. Our full-year 2016 results highlight the progress we made throughout the year in terms of improving profitability and cash flow. Revenue for the year was \$2.8 billion, which was approximately the midpoint of the guidance range we had provided. We're pleased to see that our operating profit margin increased year over year on both the GAAP and non-GAAP basis, with GAAP operating margin increasing 350 basis points relative to 2015. Non-GAAP operating profit margin for 2016 was 7.7 percent, slightly better than the midpoint of our guidance range and up 190 basis points year-over-year.

With respect to earnings per share, please keep in mind that based on accounting related to the convertible note that we placed in 2016, the share count used in calculating non-GAAP EPS for the fourth quarter and full year numbers was significantly higher than that used in the prior-year periods, which impacts a year-over-year

comparison. Shares used to calculate non-GAAP diluted earnings per share were approximately 72 million and 67.5 million for the fourth quarter and full year 2016, respectively, versus approximately 50 million for the prior-year periods.

We are also pleased with our cash flow generation for the year. Operating cash flow was \$218 million for 2016, compared to operating cash flow of \$1 million during 2015. For the month of December, we saw very strong collections performance, reflecting a collection efficiency that was 5 percentage points higher than the average in the past two years.

For the full year 2016, we reported adjusted free cash flow of \$278 million, which is an improvement of \$283 million year over year. We had guided to a range of \$160 million to \$200 million, and our performance reflects our continuing focus on our cost structure, our shift to a more asset-lite business model, and a sharp focus on managing our working capital. As we mentioned at the beginning of last year, cash flow for 2016 also included a payment that one of our clients made in the first quarter of 2016 instead of in the fourth quarter of 2015, which accounted for \$40 million in 2016.

Regarding cost savings, as we have discussed previously, in April of 2015, we announced a multi-year cost reduction program designed to create a more competitive cost structure, and to rebalance our global skill set. This program was established with a goal of achieving \$200 million of annualized run-rate cost savings exiting 2016. As of the end of 2016, I am pleased to report we achieved \$205 million, slightly above our goal.

As we shared with you during 2016, we expanded the cost saving opportunity to \$230 million of annualized run rate savings exiting 2017. Our execution so far gives us confidence that this is achievable, while staying within our original \$300 million estimate for cost-reduction charges. This is as a result of having been efficient with the charges we have been making to-date, which will be a continued focus going forward.

For the full-year, our total contract value or TCV, as defined in the appendix, was up 13 percent versus 2015. Additionally, new business TCV, which includes new scope and new logos, was also up 17 percent year over year for the full year. Our pipeline as of the end of 2016 for our focused industries also grew approximately 20 percent year over year.

Services backlog ended the fourth quarter at \$3.9 billion versus \$4.1 billion at the end of the third quarter of 2016.

On slide 7, you can also see an overview of our fourth quarter 2016 financial results for your reference.

Turning to slide 8 for an overview of our revenue, this chart shows a breakdown of revenue based on segment, geography, sector, and revenue type for the full year 2016. The breakdown we saw this year across these perspectives was relatively consistent with that of 2015. However, as I will cover shortly, Asia Pacific had a strong year in 2016. 66 percent of our revenue is driven by recurring services business as this chart shows. For the total company, we have a renewal rate of over 95 percent on contracts that come up for renewal.

Turn to slide 9 for a more detailed overview of revenue by region and sector for the full year. Asia Pacific performed well on a year-over-year basis, including several key new logo deals within the Public sector and increases in new scope business generally, but was affected by unfavorable Asian currency movements.

Latin America saw a decline in Services as reported, dragged down predominantly by exposure to the Brazilian real, and was flat on a constant-currency basis. U.S. and Canada revenue was impacted by weaker Services revenue, and a difficult Technology compare year over year.

EMEA saw a decline driven by our check processing business in the UK and lower Services revenue generally, and was further impacted by depreciation of the British Pound post-Brexit. However, the region saw an improvement in operating margins over the course of the year, despite the revenue decline.

On the sector breakdown for the full year, Commercial and U.S. Federal, which on a combined basis account for over half of our revenues, were both relatively flat for the year. Within that, our U.S. Federal Services

business showed an increase in backlog year over year. Financial Services saw a decline in Services in 2016, and also a decline in Technology revenue due to a stronger prior year for Technology sales. Public sector saw a strong year in Technology, offset by a decline in Services over the course of 2016.

Moving on to our segment results, please turn to slide 10. As we have discussed, we have been focused on improving the efficiency of our Services business specifically, as well as on improving the cost structure of the company overall. As you can see on this slide, over the course of the year, we improved gross margins in the Services business by 40 basis points, with the fourth quarter showing 100 basis point improvement in gross margin.

Operating margins for Services were still down year over year, as we have continued to make investments in improving our capabilities, including enhancing our consultative skill set. Specifically, we hired domain experts and solution principles during the year, as well as increasing our hiring of consultants with an increased effort during the second half of the year. While these efforts have impacted operating margins on a short-term basis, these investments are designed to position us to be more competitive over the longer term.

In 2016, our Technology business revenue was up 1 percent, and had significant improvements to gross profit and operating profit for the full-year, even though when we began 2016, we had expected that Technology revenue would actually decline over the year. As we have previously stated, quarterly seasonality can vary from year to year, so Technology revenue is best measured on an annual basis. Technology gross margin and operating margin were up for the full year 2016 versus 2015. For the fourth quarter, these Technology revenues were down year over year. Margins were also lower.

Slide 11 highlights the significant improvement we saw this year in cash flow. Free cash flow for the year was \$71 million, a \$284 million improvement over 2015. Additionally, for the full year 2016, we generated \$278 million of adjusted free cash flow, which is an increase of \$283 million versus 2015. Consistent with our longer term approach, we reduced our spending on capital expenditures for the quarter and the year, as we transition to a more asset-lite business model. For the full year 2016, EBITDA grew by 55 percent versus 2015.

During the quarter, we also paid off \$115 million of our senior notes early, ahead of their August 2017 maturity. Even including this cash outlay, we ended the year with \$371 million in cash.

As you see on slide 12, we continued to execute against our cost reduction plan. And as of the end of 2016, we had realized \$205 million of annualized cost savings, and recognized \$201 million of a planned \$300 million cost reduction charge. In the fourth quarter of 2016, we continued to take action toward realizing the additional \$30 million of annualized savings exiting 2017, and expect to recognize the majority of the remaining cost reduction charges in 2017.

From a cash perspective, the \$200 million cost savings anticipated in our original plan was estimated to require \$280 million of cash. Through December 31, we have used \$133 million of cash. As we told you previously, we anticipate approximately \$80 million to \$90 million of additional cash to be used during 2017, with \$30 million to \$35 million in 2018 and \$15 million to \$20 million in 2019.

For an update on our pension liabilities, please turn to slide 13 for some key takeaways. Although rates have been rising over recent months, our calculations of our pension liabilities are performed on an annual basis as of December 31 of each year. As a result, while rates have been rising lately, rates as of December 31, 2016 versus December 31, 2015 were still slightly lower.

Our GAAP pension liability calculation remains sensitive to changes in discount rates. For 2017, using current rates, a change of 25 basis points in the U.S. discount rate would cause an approximate \$118 million change in the pension liability. For international plans, a change of 25 basis points in the discount rate would cause an approximate \$135 million change in the pension obligation. These estimates are intended to be illustrative based on a single 25 basis point change. The sensitivity to rate changes is not linear and additional changes in rates may result in different impact on pension liability.

Turning to slide 14, you can see that the underfunded position of our defined benefit plans at December 31, 2016 increased to \$2.2 billion from \$2 billion as of the December 31, 2015 calculation. Both assets and total liabilities declined from the prior year end, due largely to currency movements, benefits payments and the lump sum offer we concluded in December. The decrease in liabilities was less than the decline in assets, since lower interest rates at year-end 2016 than year-end 2015 increased the present value of the liabilities. These were the major drivers of the change in funded status, though other factors including contributions, earnings on assets, and normal growth of the liability also affect the underfunded position.

Turning to slide 15, during 2017, we expect to contribute \$128 million into our defined benefit plans, which is slightly less than what we contributed in 2016. The calculation for the required pension contributions depends on a number of factors, including actuarial assumptions, longer term averages, and various other items. The chart on the slide shows an updated view of the required future pension contributions based on the year-end 2016 assumptions, which we are sharing with you, consistent with past practice.

We have also taken other steps to manage the liability, such as a lump sum offer to former associates completed in December. We will continue to consider additional opportunities to manage the pension liabilities in the future.

Turning to slide 16, which highlights our tax attributes. If Unisys generates future taxable income in jurisdictions where we have NOLs and other tax benefits, these tax assets could be available to reduce the related income tax.

Turning to slide 17, with respect to 2017, as Peter mentioned, we are issuing guidance on the same three metrics we guided during 2016, which are revenue, non-GAAP operating margin and adjusted free cash flow.

Our revenue guidance for 2017 is between \$2.65 billion and \$2.75 billion, which equates to a decline of 2 percent to 6 percent, which is a smaller decline than we saw in 2016. On a constant currency basis, we anticipate a decline from 2016 of between 1 percent and 5 percent, and we would remind investors that foreign exchange rates have been particularly volatile in recent months.

Our guidance for non-GAAP operating profit margin for the full year 2017 is 7.25 percent to 8.25 percent.

For adjusted free cash flow, we are guiding to \$130 million to \$170 million. The midpoint of this is \$150 million. And just to remind you, last year's adjusted free cash flow guidance was \$160 million to \$200 million, the midpoint of which was \$180 million.

As we discussed, there was a one-time benefit in 2016 of \$40 million, due to a payment in the first quarter of 2016, as opposed to the last quarter of 2015. Excluding that, the midpoint of last year's range would have been \$140 million. In addition to our ongoing focus on improving profitability, we are also working on various other initiatives to optimize the business, including improvements to working capital, and rationalization of the real estate portfolio.

In conclusion, we had a very strong year for adjusted cash flow in 2016. We redeemed a portion of our senior notes earlier than scheduled. We maintained discipline around cost reductions. We are executing our vertical strategy, and we delivered on our financial guidance for the year.

With that, I will turn the call back to Peter.

Question & Answer Section

Operator: We will take our first question today from James Friedman, Susquehanna.

Peter Altabef – Unisys Corp.: Hi, Jamie. How are you?

Q. – Jonathan Lee – Susquehanna Financial Group LLLP: Hey, Peter, Inder, Courtney, this is Jonathan Lee pinch-hitting for Jamie. Congrats on the quarter.

A. – Peter Altabef – Unisys Corp.: Okay. Thank you, Jonathan.

Q. – Jonathan Lee – Susquehanna Financial Group LLLP: And congrats on the year. Just a few questions, if you don't mind. Not sure, if I missed this, but how much of the Services backlog is expected to convert to revenue in the first quarter?

A. – Inder Singh – Unisys Corp.: So, our typical for that is a range of 90% to 95% of the backlog converting to revenue. And we expect it to be in that range, again, for the first quarter.

[Clarification: Entering each quarter, approximately 90%-95% of projected Services revenue is typically already in backlog.]

Q. – Jonathan Lee – Susquehanna Financial Group LLLP: Got it. And how are you thinking about FX for 2017? I know you had mentioned that FX was quite volatile, and that you're expecting a 1% to 5% year-over-year decline in constant currency, given that we are modeling. How should we think about that?

A – Inder Singh – Unisys Corp.: Yeah. It's a good question. Let me answer sort of the – we gave guidance on a constant currency and a as-reported basis, which would suggest that our expectation or at least our estimate is a 1 percentage point impact of currency. But as I noted in my comments, it's been a particularly volatile environment for the last few months. So it's always different to project what the outcome will be at the end of the year, but that's what we are using for planning purposes, Jonathan.

Q – Jonathan Lee – Susquehanna Financial Group LLLP: Understood. And what are your expectations in each of the sectors going forward?

A – Peter Altabef – Unisys Corp.: Well, Jonathan, as you know, we don't necessarily provide specific guidance on that, but I'll give you as much color as I can. So, we think of – obviously, we think of government, commercial and financial services. As I indicated in my remarks – this is Peter – the financial services team is the last to be fully geared up. So, in terms of revenue performance for the year, I'd expect that to be a little behind the other two. I think the other two will frankly be neck and neck.

But the bigger story is probably inside the sectors into the focus industries. So when we talk about those focus industries that I've been highlighting for a year now, travel and transportation, life sciences and healthcare, justice, law enforcement, border protection and commercial and retail banking, we are expecting stronger performance in each of those than we would in the specific sectors. And that's part of the plan.

We chose those sectors because the industry is growing faster in those sectors, and because we have specific domain knowledge and IP. So, that's kind of where we think the market is heading. We think that's our differentiation. So you would expect to see higher growth from us in those targeted sectors. And that's what I'm speaking to in most of my comments.

Q – Jonathan Lee – Susquehanna Financial Group LLLP: That's really helpful. Thanks again, guys. Congrats on the quarter.

A – Peter Altabef – Unisys Corp.: Thanks, Jonathan.

A – Inder Singh – Unisys Corp.: Thank you.

Operator: And our next question will be James Friedman, Susquehanna.

Q – Jamie Friedman – Susquehanna Financial Group LLLP: Hi. I know it's like an out-of body experience. This is Jamie. We don't mean to team up on you, but I wanted to ask you another one, if I could.

A – Peter Altabef – Unisys Corp.: Of course, Jamie. Thank you.

Q – Jamie Friedman – Susquehanna Financial Group LLLP: I was just juggling a couple of things tonight. So, Peter, I think, in your comments, you had described ClearPath Forward services, and you had the language, land and expand. I haven't heard the company talk about that so much before. I was wondering if you can elaborate on what that opportunity looks like.

A – Peter Altabef – Unisys Corp.: Yeah. Absolutely. And my diction might have been off. Those were actually two different sentences, so I'm going to split that up for you so. So, this ClearPath Forward services, and then there is the expansion of our consulting team. So, let me do ClearPath Forward services first. The land and expand was with the consulting team.

So, obviously, we've had a ClearPath Forward business for many years. It's an important generator of revenue, and an even more important generator of cash and margins. But before relatively recent times that ClearPath Forward team had been segregated from the rest of the company largely, which meant that there was not, if you will, an integrated focus on selling services to those customers. It was mostly a software sale and a license sale, and a sale of some applications we had on top of ClearPath Forward like our core banking systems.

So, the result of that is, many of our clients have created literally hundreds of applications that sit on top of ClearPath Forward. And so the ClearPath Forward services initiative, which began last in 2016, is actually go to those clients, and say look, we know the underlying architecture better than anybody, why don't we take off your hands or outsource the development and maintenance and expansion of all these applications you've put on top of ClearPath Forward. We launched that early last year. It has been very successful.

There has been a significant increase in revenue for us. And we expect to continue to increase that revenue this year. If you will, it's a bit low-hanging fruit, because it's existing work that our client is doing, in some cases, with other third parties, and we are now focusing on kind of bringing that home.

Two other benefits to that, one being it strengthens the loyalty to the ClearPath Forward platform, because the client doesn't have to worry about modernization of their applications anymore, and use of the platform almost becomes second nature. And, secondly, as we continue to evolve ClearPath Forward itself and take that more to hybrid cloud environments, take that to private cloud environments, it gets even easier for us to do, as a service work, if we not only are doing private cloud environments with ClearPath Forward, but also providing those applications on an as a serve basis. So, that's what's behind ClearPath Forward services.

Now, with respect to land and expand, separate from that is a buildup that I discussed last quarter where we are beginning to build our consultative capabilities really throughout the company, but targeted in some of those revenue campaigns I mentioned, around security, around our vertical applications, around analytics. And so we are building that consultative capability, which the company had been slight on previously with the view that that will increase in-year revenue as we ramp it, although there will be an SG&A cost associated with it, as those people come on board. And so, I would say the primary effect is we expect increased revenue from that over the next couple of years, but there will be a land and expand effect, where those consultants also bring with them longer term projects over time.

Q – Jamie Friedman – Susquehanna Financial Group LLLP: That's great. I just wanted to ask one for Inder as a follow-up to that, Peter, if I could, and then I'll drop into the queue. But with the rev-rec on ClearPath Forward services, Inder, is that Tech revenue or Services revenue? And I'll just ask this another one, Peter, TCV, you gave fiscal year numbers. I might have missed it. I heard the 13% up for 2016, the new biz, up 17%, but did you give the Q4 number? Or am I thinking about that the wrong way? So, two questions there.

A – Inder Singh – Unisys Corp.: Right. So, Technology revenue, to answer your first question, Jamie, a lot of it, frankly, as you realize and we've talked about in the past, is around retaining those clients and helping those clients migrate their installed base of applications that run on our technology platform, and then migrate them to new interfaces and offer things like omni-channel banking, for example, or modernize the language from COBOL to Python and other things. So a lot of it is very tied in with technology.

[Clarification: ClearPath Forward Services revenue is accounted for in Services revenue.]

With respect to the numbers that I gave on TCV, these were for the full year, and whether you look at it on a total TCV basis, as I mentioned, or frankly, on the focus verticals that we have, which were around 20% – little over 20%, those were all full year numbers.

A – Peter Altabef – Unisys Corp.: Yeah. If we look just on the quarter, Jamie, for TCV signings, compared to last year, the TCV was slightly less on an order of little less than 10% below TCV from the prior quarter. But the new business TCV was significantly higher. So the issue with the TCV is, of course, it includes renewals, and renewals can be coming at any time, so slightly less overall, but for new business, which is new logos and new scope, significantly higher.

Q – Jamie Friedman – Susquehanna Financial Group LLLP: Great. Thanks for the color. I will drop back into the queue.

A – Inder Singh – Unisys Corp.: Thanks, Jamie.

A – Peter Altabef – Unisys Corp.: Thanks, Jamie.

Operator: Our next question today will come from Frank Atkins of SunTrust.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: Thanks so much for taking my questions. Congratulations on the hiring of the new CMO. And I wanted to ask where do you feel you stand in terms of where the sales force sits right now, how close are you getting to kind of the force that you won and the training and cross-selling abilities there?

A – Peter Altabef – Unisys Corp.: Frank, this is Peter. Thanks for the question, and thanks for being on the call. With regards to hiring Ann, it's a wonderful asset to this company. She joined in December, and I will tell you is already really bringing a fresh outlook to the company, which is exactly why we brought her in.

So, one of the last things that Inder had done as he had brought a fresh outlook into the company was a branding campaign that was launched in late-October and early-November, which I think you may have seen, it's our Securing Your Tomorrow campaign. And so, Ann is moving forward with that significantly, and also moving forward with all of the branding around, and all of the campaigns that I described, specifically, around security, and around our vertical, kind of, software-led platforms.

The sales teams, in addition, have received a change, if you will, as of late last year, kind of in December. So, one of the things that we did over the past little over a year was to stand up these sectors in government, commercial and financial services and the industries underneath them. The sales force has historically been kind of separate as a distinct sales force. And the longer term plan was, once we had the thought leadership by industry and by sector, to actually move the sales force into the industry and sector teams, so that they would work side-by-side with our subject matter experts, which we've also been hiring for the last year and a half.

But you can't really move salespeople other than at the end of the year because of commission plans, and in fairness, we didn't think that the sectors and industries were ready until the end of last year. So we have now done that. So we feel very good about our sales force now. And as I said, it is now embedded inside those industries and inside those sectors.

It's a great question, Frank. Thank you for asking it.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: Okay. Great. Thank you. And then, if you could talk about TCV by geography a little bit and how that impacts FX going forward. And then, how are we to think about the translation of TCV to revenue? You've had nice trends in that total contract value, up year-over-year. When may that translate into revenue trend?

A – Peter Altabef – Unisys Corp.: Yeah. I don't have the TCV by regions in front of me. I'm not sure if we'll grab it during this call or we'll get back to you later on that afterwards, Frank. In terms of the translation of TCV into revenue, it's complicated, because TCV, of course, number one, includes renewals, which can happen every three or four years for specific clients. Number two, TCV is a total number. And there is a difference between – there is the same TCV for a three-year contract or a five-year contract, even though the revenue result will be

different. So it's I would say a blunt instrument in talking about future revenue growth. I actually think our guidance is more helpful than that.

I would tell you that, through the consultant and project work that I mentioned with Jamie, that's kind of, if you will, a second element of our revenue growth. So while we do expect TCV and revenue growth from long-term contracts, and the 13% increase year-on-year is a nice harbinger for long-term growth, we're not relying exclusively on that. We're ramping up the consultant project work, and that will give a lot of shorter term revenue, but frankly, more impactful than a longer term TCV number. So it's a combination of both.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: Okay. That's helpful. And thank you for the guidance, by the way, that's great to see. Can you talk a little bit about what drove the decision on the cash-out offer on the pension side, why do that now and why choose kind of that level?

A – Inder Singh – Unisys Corp.: Yes, Frank. I think that, as we look at the pension plan and the obligations that we face over the next 10 years, we're trying to make sure that we not only care for the way we are looking at the underfunded position as a company, but of course care for the obligations that we have to our beneficiaries of that program as well.

We felt we had really sufficient cash available from a number of reasons. But we also felt that our intent over the longer term is to bring down that underfunded position. So we felt that we would see what the take rates were on a lump sum offer. And as you and I have talked in the past, and I know you've asked this question around how we would manage the pension obligation, this is merely one of the tools that we intend to use over the next few years to do that.

We were pleased by the results of the lump sum offer and the take rates on that lump sum offer. From a cash contribution standpoint, for us, this was essentially neutral. And so we felt very comfortable that this is the right thing to do at this point in time. As I said earlier, don't be surprised if we have other types or maybe other instances of this type of an offer. We like the take rate we saw.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: Okay. Great. And last one from me, if I could ask Peter, to put on kind of a strategy hat, and I know there's a lot of uncertainty around this, but what exposure do you have to potential regulatory changes as a result of Trump, either visa exposure, changes in border control, healthcare side? If you could address, maybe at a high level, your thoughts around some of the issues.

A – Peter Altabef – Unisys Corp.: Well, obviously – Frank, it's a great question. I think it's less a strategy hat and more a crystal ball in trying to figure out the future, because it's not completely knowable at this point. But I would say a couple of things. So, first, on the – obviously, there is some uncertainty about what will happen in certain federal agencies about their pipeline in terms of new contracts. So exactly how that will affect us, we'll have to see. I think in general though, the areas of our focus are areas where you are I think less likely to see that and more likely to see actual focus and attention, and perhaps growth. So, clearly, on things such as border security, which is our largest client in the federal government, I would say we'd become increasingly bullish about that.

On the other hand, there are some agencies that, at least according to early published reports, are under some duress. There was a few published reports today that the EPA might have a temporary contract freeze. Well, we don't do any business with the EPA currently. So I think it's really going to be more a question of that kind of agency for agency review. And we work with 30 different agencies in the U.S. federal government. So, I gave two easy examples, but time will tell as you get into more agencies. But in general, I would say we feel bullish that our focus is increasingly the focus of the new administration.

A – Inder Singh – Unisys Corp.: I'm just going to piggyback on that. We believe we're well positioned from where we think the U.S. Federal business is positioned. Our relationship with the U.S. border security efforts over the last several years, we believe, positions in the right way.

Peter alluded to eu-LISA in his comments earlier and that's the IT infrastructure business for the organization that manages the European borders and the IT infrastructure there. We've been in discussions with them, and we do business with them and we're well positioned. So as it is a global phenomenon around border security, we do believe we're well positioned, Frank.

Q – Frank Atkins – SunTrust Robinson Humphrey, Inc.: All right. Great. Thank you for taking my question.

A – Peter Altabef – Unisys Corp.: Thank you, Frank.

Operator: Everyone, we have time for one more question today. That comes from Joan Tong, Sidoti.

Q – Joan Tong – Sidoti & Co. LLC: Hi, guys. How are you?

A – Peter Altabef – Unisys Corp.: Good, Joan. Thank you for being on the call.

Q – Joan Tong – Sidoti & Co. LLC: So, most of my questions have been answered already, but I just wanted to ask you on the consultancy and advisory work or the capability that you were talking about, how realistic like we are thinking about that particular portion of the business as a percentage of total? Like are we talking about you really want to get into some sort of consultant business? Or is it more sort of related to land and expand – you're trying to use that as a tool to kind of land further business and the other part of the Services business?

A – Peter Altabef – Unisys Corp.: Joan, I think that's a great question. And so, let me try to answer it as fully as I can. The first part is we are not making a major shift in the company to a company that is driven by short-term project work. So if you look at our revenue chart that Inder put as part of the package, I think about 66% of our revenue is recurring, about 15% is in Technology, so only about 19% or so – and I'm doing this from memory – is in short-term project work today. So, we do some of that work today, and we're talking about marginally increasing that percentage, but not dramatically changing the company. So, that's point number one.

Point number two is we're doing it in a very targeted way. So this is not consultant for consultant sake, this is specific consultants that have expertise in our specific areas of focus, be that applications, be that security, be that the retail banking program that I just outlined, it's that kind of – in travel and transportation and in healthcare. So, very, very specific, and of course, around border protection. So we are not trying to boil the ocean here, we are trying to be very, very specific. And the primary reason for that is in-year revenue, but we do believe that, as with most consultant practices, it will result in a land and expand and longer term contracts over time.

Joan, I hope that helps.

Q – Joan Tong – Sidoti & Co. LLC: Oh, yeah, definitely. Thank you. And then, if we were to think about 2017, your Services margin. And obviously, you gave the total operating margin on a non-GAAP basis, but I understand that you spent – make some investment in 2016, so that your service margin is a little bit below what you originally anticipated. Do we have any spilled over of that into 2017? And also, would you be able to provide sort of like a guidance how service margins going to look like for this year?

A – Peter Altabef – Unisys Corp.: We don't provide guidance on margins below the full company's line. I would say that we do expect service margins – Services gross margins to continue to grow. They grew last year. You saw a 40 basis points growth over the year and you saw 100 basis points growth in the fourth quarter. I think the growth of gross margins, we would expect to grow higher than the growth last year, frankly. So we expect expanding gross margins at a higher rate. Part of that is because we have been putting all of these investments into it. So that's a big part of our future. So, yes, we do expect expanded Services gross margins going forward on an annual basis. There's going to be quarterly blips.

A – Inder Singh – Unisys Corp.: This is Inder, Joan. In 2016, we actually saw gross margin improve in three out of our four quarters, to Peter's point.

A – Peter Altabef – Unisys Corp.: Right.

A – Inder Singh – Unisys Corp.: It's our goal to make that a more sustained improvement quarter to quarter to quarter. Of course, there is always going to be a volatility type of thing here or there, but we're pretty happy about the direction we've seen gross margins going for the bulk of 2016.

A – Peter Altabef – Unisys Corp.: Thank you, Joan.

Q – Joan Tong – Sidoti & Co. LLC: Got it. Thank you.

Operator: And that does conclude our question-and-answer session.