



First-Quarter 2014 Financial Results

www.unisys.com/investor

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Janet Haugen | SVP & CFO

April 22, 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, Net Cash, and Operating Profit before Pension Expense. 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 April 22, 2014 and Unisys undertakes no duty to update this information.

Ed Coleman

Chairman & CEO

1Q14 Overview

- Lower revenue in Technology and Services impacted profitability; resulted in net loss
 - Revenue declined 6% -- down 4% for Services and 19% in Technology
 - GAAP operating loss of \$19.9M
 - Break-even operating profit before pension expense of \$19.5M
 - Net loss of \$54M vs \$34M in 1Q13
 - Diluted loss per share of \$1.15 vs \$0.77 in 1Q13
- Lower ClearPath revenue
 - Remain focused on achieving full year 2014 Technology revenue growth
 - Stealth and *Forward!* represent incremental growth opportunities
- Services revenue goal is flat for 2014 vs 2013
 - Focus on improved sales and delivery execution
 - Cloud-based services and solutions and end user outsourcing are growth opportunities
- Remain confident in our strategy, focused on achieving our financial goals

2014-2016 Financial Goals

- Grow Technology business
- Increase percentage of revenue generated by our reseller channel
- Consistently achieve an 8-10% Services operating profit margin
- Continue to simplify operations and reduce cost of services delivery

Growth Drivers 2014-2016

- Technology
 - Unisys Stealth cybersecurity software
 - *Forward!* fabric based servers
 - Continued innovations in ClearPath
- Services
 - Cloud-based and SaaS delivery models
 - End-User Outsourcing
 - Unisys software & solutions content
 - Application Managed Services
- Reseller Channel

STEALTH
by UNISYS

FORWARD!
by UNISYS

EDGE
SERVICE MANAGEMENT by UNISYS



Examples of Increased Market Recognition

“Strong Performer”

Forrester Research, Inc.

March 2013 report
The Forrester Wave™:
Global Workplace Services

"Leaders" Quadrant

Gartner, Inc.

2013 Magic Quadrant report
on End-User Outsourcing Services
in North America.

“Challengers” Quadrant

Gartner, Inc.

2013 Magic Quadrant report
for Data Center Outsourcing and
Infrastructure Utility Services
in North America

“Visionaries” Quadrant

Gartner, Inc.

2013 Magic Quadrant report
for Managed Mobility Services



2014 Financial Goals

- Return the Company to revenue growth
 - Services flat
 - Technology growth includes new innovative products
 - Stealth and *Forward!*
- Invest in new products and services with 2014 incremental operating expenses of \$35M-\$70M
- Targeting pretax profit growth versus 2013, before the incremental operating expenses

Janet Haugen

Chief Financial Officer

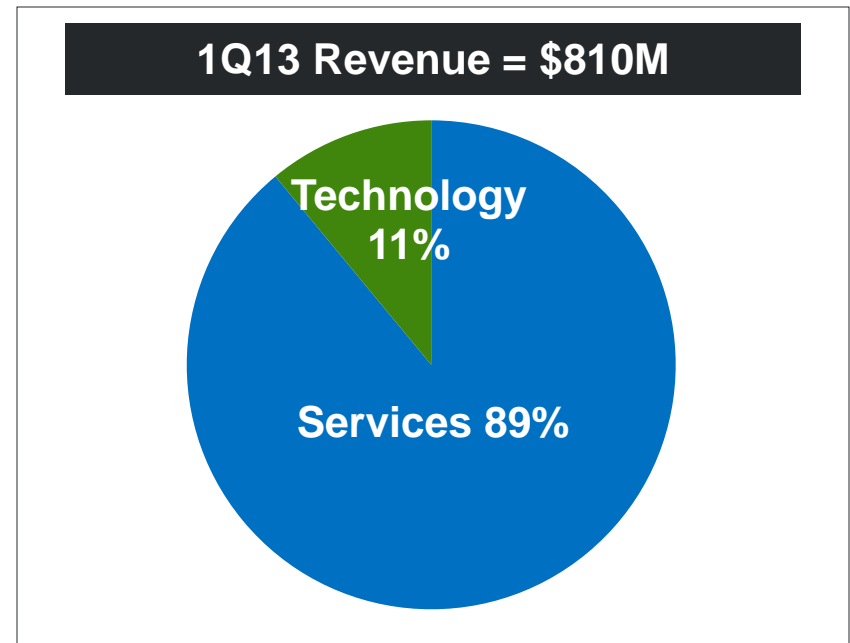
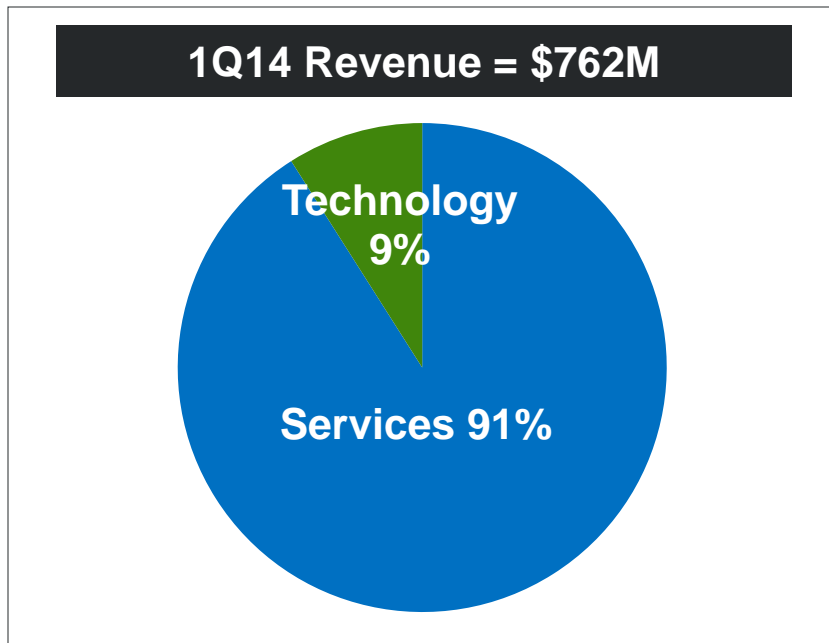
1Q14 Financial Results

\$M (excluding EPS)	1Q14	1Q13	Y/Y Ch
Revenue	\$762	\$810	(6%)
Gross Profit	\$133	\$161	(17%)
Gross Profit Margin	17.5%	19.9%	(2.4 pts)
Operating Expenses (SG&A plus R&D)	\$153	\$159	(4%)
Operating Profit	(\$20)	\$2	
Operating Profit Margin	(2.6%)	0.2%	(2.8 pts)
Other Expense	(\$10)	(\$5)	
Pretax Income (Loss)	(\$32)	(\$6)	
Tax Expense	\$16	\$21	
Net Income (Loss)	(\$54)	(\$34)	
Diluted EPS	(\$1.15)	(\$0.77)	
Non-GAAP Earnings (Loss) per Diluted Share*	(\$0.74)	(\$0.26)	

See Schedule *A: GAAP to non-GAAP Reconciliation

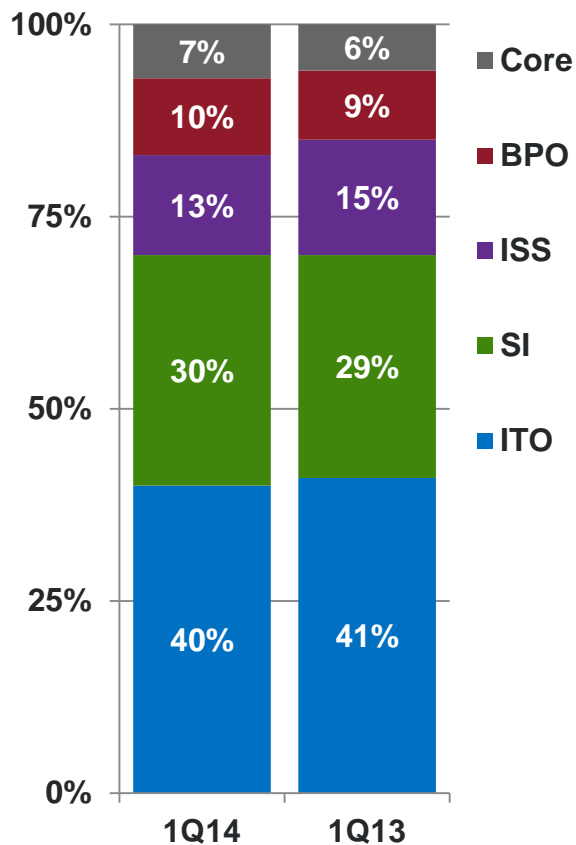
1Q14 Segment Revenue

- Services revenue down 4%Y/Y
 - Services revenue down 3% in constant currency
- Technology revenue down 19% Y/Y
 - Tech revenue down 16% in constant currency



Services Revenue by Portfolio

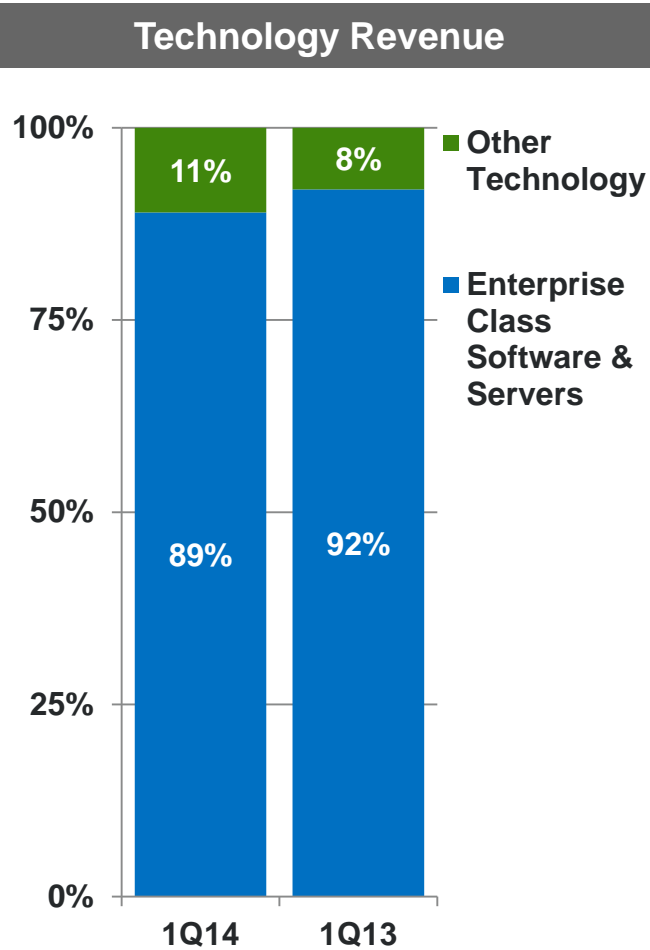
Services Revenue



Services portfolio revenue as a % of Unisys services revenue

\$M	1Q14	Y/Y Ch
Services Revenue	\$691	(4%)
Gross Margin	15.8%	(160 bps)
Operating Margin	1.9%	(120 bps)
Revenue by Portfolio		
Information Technology Outsourcing	\$275	(8%)
Systems Integration	\$211	Flat
Infrastructure Services	\$93	(12%)
Business Process Outsourcing	\$66	5%
Core Maintenance	\$46	1%

Technology Revenue by Portfolio



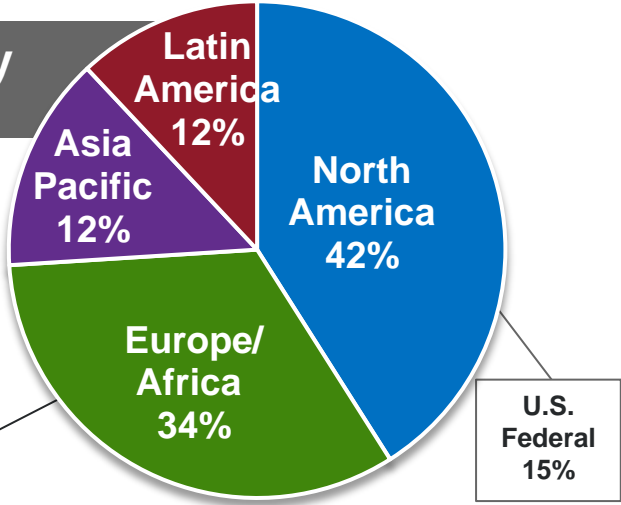
Technology portfolio revenue as a % of Unisys technology revenue

\$M	1Q14	Y/Y Ch
Technology Revenue	\$71	(19%)
Gross Margin	42.5%	(330 bps)
Operating Margin	(21.2%)	(2,140 bps)
Revenue by Portfolio		Y/Y Ch
Enterprise Class Software & Servers	\$63	(22%)
Other Technology	\$8	17%

Unisys Revenue Profile

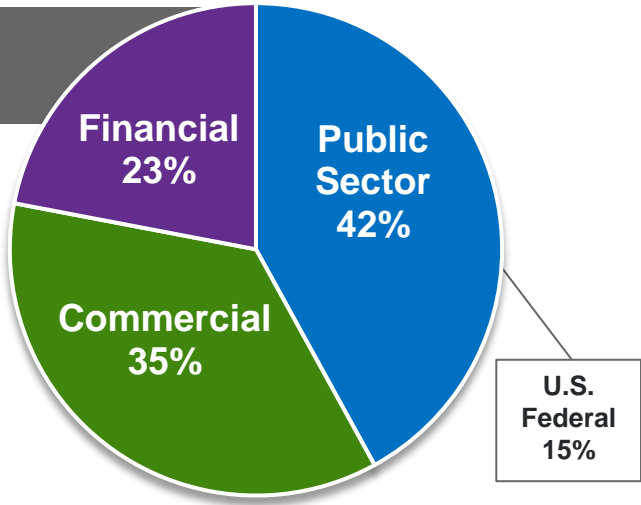
Geography

1Q14



Industry

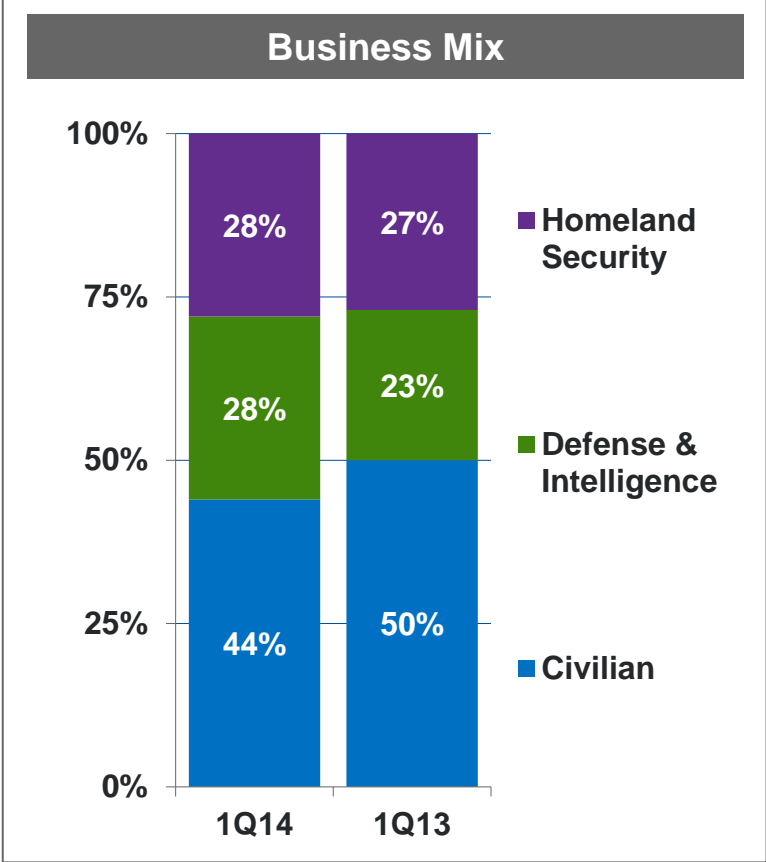
1Q14



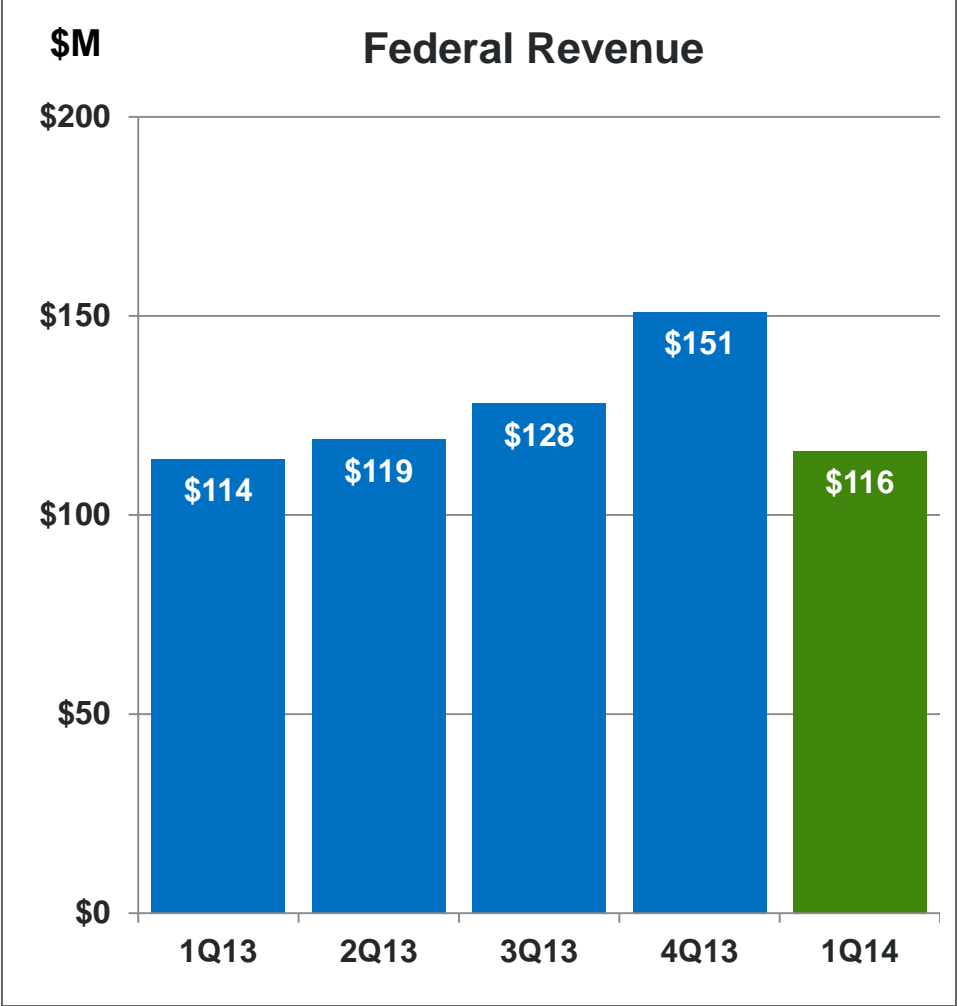
1Q14 Y/Y

North America	(5%)
Europe	(1%)
Asia Pacific	(12%)
Latin America	(17%)
1Q14 Y/Y	
Public Sector	(9%)
Commercial	(7%)
Financial	3%

U.S. Federal Government Business



Revenue Y/Y	
1Q14	2%



1Q14 Services Order Highlights

- Services orders down Y/Y and sequentially
- Services orders by portfolio:
 - Orders grew in BPO
 - Orders declined in ITO, core maintenance, infrastructure services and systems integration
- Services orders declined in all geographies
- Closed 1Q14 with \$4.5B in services backlog vs. \$5.1B at 1Q13 and \$4.8B at 4Q13
 - \$650M of services backlog expected to turn into 2Q14 revenue; up \$20M sequentially

Cash Flow Comparison

\$M	1Q14	1Q13
Cash Flow From Operations	\$20	\$14
Capital Expenditures	\$45	\$26
Free Cash Flow*	(\$25)	(\$12)
Pension Funding	\$56	\$27
Free Cash Flow Before Pension Funding*	\$31	\$15
Depreciation & Amortization	\$40	\$40
EBITDA**	\$7	\$34
Adjusted EBITDA**	\$27	\$58
Cash Balance	\$614	\$629
Debt Balance at March 31	\$210	\$211
Net Cash at March 31	\$404	\$418

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



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 Diluted Earnings Per Share – Unisys recorded pension expense, net of tax, of \$19.3 million and \$22.3 million, respectively, during the first quarters 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.

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.

Non-GAAP Financial Measures

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 \$19.5 million and \$23.2 million, respectively, during the first quarter 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.

Operating Profit before Pension Expense – Unisys recorded pretax pension expense of \$19.5 million during the first quarter of 2014. 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	1Q14	1Q13
GAAP net loss attributable to Unisys Corporation common shareholders	(\$53.5)	(\$33.9)
Pension expense, net of tax	19.3	22.3
Non-GAAP net loss attributable to Unisys Corporation common shareholders	(\$34.2)	(\$11.6)
Add preferred stock dividends	--	--
Non-GAAP net loss attributable to Unisys Corporation for diluted earnings per share	(\$34.2)	(\$11.6)
Weighted average shares (thousands)	46,343	44,054
Plus incremental shares from assumed conversion of employee stock plans and preferred stock	--	--
Adjusted weighted average shares	46,343	44,054
Earnings per Share		
<i>GAAP basis</i>		
GAAP net loss attributable to Unisys Corporation common shareholders	(\$53.5)	(\$33.9)
Divided by weighted average shares	46,343	44,054
GAAP net loss per share	(\$1.15)	(\$0.77)
<i>Non-GAAP basis</i>		
Non-GAAP net loss attributable to Unisys Corporation for diluted earnings per share	(\$34.2)	(\$11.6)
Divided by adjusted weighted average shares	46,343	44,054
Non-GAAP loss per diluted share	(\$0.74)	(\$0.26)

Schedule B: GAAP to Non-GAAP Reconciliation

Free Cash Flow

\$M	1Q14	1Q13
Cash Provided by Operations	\$20.1	\$14.1
Capital Expenditures	(44.6)	(25.9)
Free Cash Flow	(\$24.5)	(\$11.8)
Pension Funding	55.5	26.6
Free Cash Flow Before Pension Funding	\$31.0	\$14.8

Schedule C: GAAP to Non-GAAP Reconciliation

EBITDA and Adjusted EBITDA

Earnings before Interest, Taxes, Depreciation and Amortization

\$M	1Q14	1Q13
Net Income (Loss) Attributable to Unisys	(\$50.8)	(\$29.9)
Interest Expense	2.0	2.7
Income Tax Provision	16.0	21.4
Depreciation & Amortization	40.0	40.2
EBITDA	\$7.2	\$34.4
Pension Expense	19.5	23.2
Adjusted EBITDA	\$26.7	\$57.6

UNISYS



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