UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

or

 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______________ to ______________ .

Commission file number: 1-8729

UNISYS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	38-0387840
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
801 Lakeview Drive, Suite 100 Blue Bell, Pennsylvania	19422
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (215) 986-4011

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer		Accelerated filer	
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Aggregate market value of the voting and non-voting common equity held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter: approximately $1,241.5 million.

The amount shown is based on the closing price of Unisys Common Stock as reported on the New York Stock Exchange composite tape on June 30, 2014. Voting stock beneficially held by officers and directors is not included in the computation. However, Unisys Corporation has not determined that such individuals are "affiliates" within the meaning of Rule 405 under the Securities Act of 1933.

Number of shares of Unisys Common Stock, par value $.01, outstanding as of February 18, 2015: 49,898,173

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Unisys Corporation's annual report to stockholders for the year ended December 31, 2014 are incorporated by reference into Part I, Part II and Part IV hereof.

Portions of Unisys Corporation's Definitive Proxy Statement for the 2015 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

PART I

ITEM 1. BUSINESS

General

Unisys Corporation is a global information technology ("IT") company. We work with many of the world's largest companies and government organizations to secure and keep their mission-critical operations running at peak performance; streamline and transform their data centers; enhance support to their end users and constituents; and modernize their enterprise applications. We do this while protecting and building on their legacy IT investments. Our offerings include outsourcing and managed services, systems integration and consulting services, high-end server technology, cybersecurity and cloud management software, and maintenance and infrastructure support services. We have more than 20,000 employees serving clients around the world.

We operate in two business segments – Services and Technology. Financial information concerning the two segments can be found in Note 14, "Segment information", of the Notes to Consolidated Financial Statements appearing in our annual report to stockholders for the year ended December 31, 2014 (the "Unisys 2014 Annual Report to Stockholders"), and such information is incorporated herein by reference.

Principal Products and Services

Unisys brings together services and technology into solutions that solve mission-critical problems for organizations around the world.

In the Services segment, we provide services to help our clients improve their competitiveness, security and cost efficiency. Our services include outsourcing, systems integration and consulting, infrastructure services and core maintenance.

- In outsourcing, we manage clients' data centers, computer servers and end-user computing environments as well as specific business processes.
- In systems integration and consulting, we consult with clients to assess the security and cost effectiveness of their IT systems and help them design, integrate and modernize their mission-critical applications to achieve their business goals.
- In infrastructure services, we provide design, warranty and support services for our customers' IT infrastructure, including their networks, desktops, servers, and mobile and wireless devices.
- In core maintenance, we provide maintenance of Unisys systems and products as well as of those of third party technology providers.

In the Technology segment, we design and develop software, servers and related products to help clients reduce costs, improve security, create agility and improve the efficiency of their data center environments. As a pioneer in large-scale computing, Unisys offers deep experience and rich technological capabilities in transaction-intensive, mission-critical environments. We provide a range of data center, infrastructure management and cloud computing offerings to help clients virtualize and automate their data-center environments. Product offerings include enterprise-class servers, such as the ClearPath family of servers, the *Forward!* by Unisys line of fabric servers, and the ES family of servers; the Unisys Stealth™ family of cybersecurity software; and operating system software and middleware.

The primary vertical markets Unisys serves worldwide include commercial, financial services, public sector (outside the U.S. federal government) and the U.S. federal government.

We market our products and services primarily through a direct sales force. In certain foreign countries, we market primarily through distributors. Complementing our direct sales force, we make use of a select group of resellers and alliance partners to market our services and product portfolio.

Materials

Unisys purchases components and supplies from a number of suppliers around the world. For certain technology products, we rely on a single or limited number of suppliers, although we make every effort to assure that alternative sources are available if the need arises. The failure of our suppliers to deliver components and supplies in sufficient quantities and in a timely manner could adversely affect our business.

Patents, Trademarks and Licenses

Unisys owns approximately 1,030 active U.S. patents and approximately 90 active patents granted in 12 non-U.S. jurisdictions. These patents cover systems and methods related to a wide variety of technologies, including, but not limited to, computing systems, relational database management, information storage, device/circuit manufacture and design, imaging, data compression and document recognition/handling. We have granted licenses covering both single patents, and particular groups of patents, to others. Likewise, we have active licensing agreements granting us rights under patents owned by other entities. However, our business is not materially dependent upon any single patent, patent license, or related group thereof.

Unisys also maintains 24 U.S. trademark and service mark registrations, and over 1,280 additional trademark and service mark registrations in over 130 non-U.S. jurisdictions. These marks are valuable assets used on or in connection with our products and services, and as such are actively monitored, policed and protected by Unisys and its agents.

Seasonality

Our revenue is affected by such factors as the introduction of new products and services, the length of sales cycles and the seasonality of purchases. Seasonality has generally resulted in higher fourth quarter revenues than in other quarters.

Customers

No single client accounts for more than 10% of our revenue. Sales of commercial products and services to various agencies of the U.S. government represented approximately 16% of total consolidated revenue in 2014. For more information on the risks associated with contracting with governmental entities, see "Factors that may affect future results" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Unisys 2014 Annual Report to Stockholders which is incorporated herein by reference.

Backlog

In the Services segment, firm order backlog at December 31, 2014 was $4.8 billion, compared to $4.8 billion at December 31, 2013. Approximately $2.0 billion (41%) of 2014 backlog is expected to be filled in 2015. Although we believe that this backlog is firm, we may, for commercial reasons, allow the orders to be cancelled, with or without penalty. In addition, funded government contracts included in this backlog are generally subject to termination, in whole or part, at the convenience of the government or if funding becomes unavailable. In such cases, we are generally entitled to receive payment for work completed plus allowable termination or cancellation costs.

Because of the relatively short cycle between order and shipment in our Technology segment, we believe that backlog information for this segment is not material to the understanding of our business.

Competition

Our business is affected by rapid change in technology in the information services and technology industries and aggressive competition from many domestic and foreign companies. Principal competitors are systems integrators, consulting and other professional services firms, outsourcing providers, infrastructure services providers, computer hardware manufacturers and software providers. We compete primarily on the basis of service, product performance, technological innovation, and price. We believe that our continued focused investment in engineering and research and development, coupled with our sales and marketing capabilities, will have a favorable impact on our competitive position. For more information on the competitive risks we face, see "Factors that may affect future results" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Unisys 2014 Annual Report to Stockholders which is incorporated herein by reference.

Research and Development

Unisys-sponsored research and development costs were $68.8 million in 2014, $69.5 million in 2013, and $81.5 million in 2012.

Environmental Matters

Our capital expenditures, earnings and competitive position have not been materially affected by compliance with federal, state and local laws regulating the protection of the environment. Capital expenditures for environmental control facilities are not expected to be material in 2015 and 2016.

Employees

At December 31, 2014, we employed approximately 23,200 employees serving clients around the world.

International and Domestic Operations

Financial information by geographic area is set forth in Note 14, "Segment information", of the Notes to Consolidated Financial Statements appearing in the Unisys 2014 Annual Report to Stockholders, and such information is incorporated herein by reference. For more information on the risks of doing business internationally, see "Factors that may affect future results" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Unisys 2014 Annual Report to Stockholders which is incorporated herein by reference.

Available Information

Our Investor web site is located at http://www.unisys.com/investor. Through our web site, we make available, free of charge, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after this material is electronically filed with or furnished to the U.S. Securities and Exchange Commission (the "SEC"). We also make available on the web site our Guidelines on Significant Corporate Governance Issues, the charters of the Audit and Finance Committee, Compensation Committee, and Nominating and Corporate Governance Committee of our board of directors, and our

Code of Ethics and Business Conduct. This information is also available in print to stockholders upon request. We do not intend for information on our web site to be part of this Annual Report on Form 10-K.

EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the executive officers of Unisys as of February 15, 2015 is set forth below.

Name	Age	Position with Unisys
Peter A. Altabef	55	President and Chief Executive Officer
Quincy L. Allen	54	Senior Vice President; Chief Marketing and Strategy Officer
Ronald S. Frankenfield	58	Senior Vice President; President, Enterprise Solutions
Janet Brutschea Haugen	56	Senior Vice President and Chief Financial Officer
Gerald P. Kenney	63	Senior Vice President, General Counsel and Secretary
David A. Loeser	60	Senior Vice President, Worldwide Human Resources
Suresh V. Mathews	61	Senior Vice President and Chief Information Officer
Venkatapathi R. Puvvada	54	Senior Vice President; President, Federal Systems
Jeffrey E. Renzi	54	Senior Vice President and President, Global Sales
M. Lazane Smith	60	Senior Vice President, Corporate Development
Scott A. Battersby	56	Vice President and Treasurer

There is no family relationship among any of the above-named executive officers. The By-Laws provide that the officers of Unisys shall be elected annually by the Board of Directors and that each officer shall hold office for a term of one year and until a successor is elected and qualified, or until the officer's earlier resignation or removal.

Mr. Altabef has been President and Chief Executive Officer and a member of the Board of Directors since January 2015. Prior to joining Unisys, Mr. Altabef was the President and Chief Executive Officer, and a member of the board of directors, of MICROS Systems, Inc. from 2013 through September 2014, when MICROS Systems, Inc. was acquired by Oracle Corporation. He previously served as President and Chief Executive Officer of Perot Systems Corporation from 2004 until 2009, when Perot Systems was acquired by Dell, Inc. Thereafter, Mr. Altabef served as President of Dell Services (a unit of Dell Inc.) until his departure in 2011. Mr. Altabef also serves on the Board of Managers of Merit Energy Company, LLC, and the Advisory Board of Petrus Trust Company, L.T.A. He previously served as Senior Advisor to 2M Companies, Inc. in 2012, and served as a director of Belo Corporation from 2011 through 2013. Mr. Altabef has been an officer since January 2015.

Mr. Allen was elected Senior Vice President and Chief Marketing and Strategy Officer in 2012. From 2009 to 2010, Mr. Allen had been the chief executive officer of Vertis, Inc., a company involved in market research, media planning, advertising and digital production. From 2001 to 2009, Mr. Allen held several senior positions at Xerox Corporation, including most recently as Vice President and President, Global Business and Strategic Marketing. Mr. Allen has been an officer since 2012.

Mr. Frankenfield has been Senior Vice President since 2010 and President, Enterprise Solutions (formally known as Enterprise Services) since March 2014. Since rejoining Unisys in 2007, he served as President, Unisys Global Managed Services (GMS) from 2010 to March 2014 and as vice president of worldwide sales for GMS from 2007 to 2010. From 2003 to 2005, Mr. Frankenfield served as senior vice president of North American financial services for global software provider SAP, and from 2005 to 2007, he served as general manager for the Americas group for Egenera, a leader in the utility computing marketplace. Prior to joining SAP, Mr. Frankenfield held a variety of senior leadership roles at Unisys, including serving as general manager of the company's Australia/New Zealand and overall Asia-Pacific businesses. Mr. Frankenfield has been an officer since 2010.

Ms. Haugen has been Senior Vice President and Chief Financial Officer since 2000. Prior to that time, she served as Vice President and Controller and Acting Chief Financial Officer (1999-2000) and Vice President and Controller (1996-1999). Ms. Haugen has been an officer since 1996.

Mr. Kenney has been Senior Vice President, General Counsel and Secretary since 2013. Prior to joining Unisys, he had been with NEC Corporation of America, the North American subsidiary of global technology company NEC Corporation, since 1999, serving most recently as Senior Vice President, General Counsel and Corporate Secretary (2004-2013). Mr. Kenney has been an officer since 2013.

Mr. Loeser has been Senior Vice President, Worldwide Human Resources since 2013. Prior to joining Unisys, Mr. Loeser was Executive Vice President, Human Resources for Mitel, a global provider of business communications and collaboration software and services (2012-2013). Before Mitel, he held strategic management and human resources executive positions with several multinational companies including Hostess Foods, Celanese, Quaker State, PepsiCo, Continental Airlines, Chevron, and CompuCom. Mr. Loeser has been an officer since 2013.

Mr. Mathews has been Senior Vice President and Chief Information Officer since 2009. Prior to joining Unisys, Mr. Mathews served as Executive Vice President and Chief Information Officer at Interstate Brands, Inc. Prior to Interstate Brands, he was President and Chief Executive Officer of Digital Standard, Inc. from 2004 to 2007 and Senior Vice President, Information Systems and Services for CompuCom Systems, Inc. from 2001 to 2004, where he also served on the Board of Directors of CompuCom's Federal Systems subsidiary. Mr. Mathews has been an officer since 2009.

Mr. Puvvada has been Senior Vice President and President, Federal Systems since February 2015. Mr. Puvvada had been serving as acting President of Federal Systems since July 2014. Prior to that time, he served as group Vice President for Unisys federal civilian agency business since 2010. From 2005 to 2010, he was Managing Partner and Chief Technology Officer for Unisys Federal Systems. Previously, Mr. Puvvada held various management positions since joining Unisys in 1992. Mr. Puvvada has been an officer since February 2015.

Mr. Renzi was elected Senior Vice President in February 2014 and has been President, Global Sales since January 2014. Prior to joining Unisys, Mr. Renzi was Senior Vice President, Sales & Marketing, at Arise Virtual Solutions (2012-2013). From 2009 to 2012, Mr. Renzi held key sales and service management roles at Dell Corporation. From 2003 to 2009, Mr. Renzi served as Executive Vice President, Global Sales and Marketing, Alliances & Procurement, at Perot Systems. Prior to Perot Systems, he held a variety of sales leadership and individual sales contributor roles at Electronic Data Systems from 1989 to 2003. Mr. Renzi has been an officer since February 2014.

Ms. Smith has been Senior Vice President, Corporate Development since 2009. Prior to joining Unisys, she was Senior Vice President, Human Resources and Customer Service and Support at Gateway, Inc. (2006-2008). From 1993 until 2005, Ms. Smith held various leadership roles at CompuCom Systems, Inc., including serving as Senior Vice President and Chief Financial Officer from 1997 until 2005. Ms. Smith has been an officer since 2009. Ms. Smith announced her retirement from Unisys effective February 27, 2015.

Mr. Battersby has been Vice President and Treasurer since 2000. Prior to that time, he served as Vice President of Corporate Strategy and Development (1998-2000) and Vice President and Assistant Treasurer (1996-1998). Mr. Battersby has been an officer since 2000.

ITEM 1A. RISK FACTORS

Discussion of risk factors is set forth under the heading “Factors that may affect future results” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Unisys 2014 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

As of December 31, 2014, we had ten major facilities in the United States with an aggregate floor space of approximately 1.6 million square feet, located primarily in Virginia, Pennsylvania, Minnesota, California, Utah and Texas. We owned one of these facilities, with aggregate floor space of approximately 0.3 million square feet; nine of these facilities, with approximately 1.3 million square feet of floor space, were leased to us. Approximately 1.4 million square feet of the U.S. facilities were in current operation and approximately 0.2 million square feet were subleased to others.

As of December 31, 2014, we had nine major facilities outside the United States with an aggregate floor space of approximately 1.3 million square feet, located primarily in India, the United Kingdom, Brazil, Australia, Hungary and New Zealand. We owned one of these facilities, with approximately 0.2 million square feet of floor space; seven of these facilities, with approximately 0.8 million square feet of floor space, were leased to us. Approximately 0.8 million square feet of the facilities outside the United States were in current operation and approximately 0.3 million square feet were subleased to others. In addition, in December 2014 we completed the sale of one facility outside the United States with approximately 0.2 million square feet of floor space, which we have the right to continue to use while we transition out of this property during 2015.

Our major facilities include offices, data centers, call centers, engineering centers and sales centers. We believe that our facilities are suitable and adequate for current and presently projected needs. We continuously review our anticipated requirements for facilities and will from time to time acquire additional facilities, expand existing facilities, and dispose of existing facilities or parts thereof, as necessary.

ITEM 3. LEGAL PROCEEDINGS

Information with respect to litigation is set forth in Note 13, “Litigation and contingencies”, of the Notes to Consolidated Financial Statements appearing in the Unisys 2014 Annual Report to Stockholders, and such information is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Unisys Common Stock (trading symbol "UIS") is listed for trading on the New York Stock Exchange and London Stock Exchange. Information on the high and low sales prices for Unisys Common Stock is set forth under the heading "Quarterly financial information" in the Unisys 2014 Annual Report to Stockholders and is incorporated herein by reference. At December 31, 2014, there were approximately 49.7 million shares outstanding and approximately 11,100 stockholders of record. Unisys has not declared or paid any cash dividends on its Common Stock since 1990, and we do not anticipate declaring or paying cash dividends in the foreseeable future.

On December 10, 2012, the company announced that its Board of Directors had provided authorization to enable the company to purchase up to an aggregate of $50 million of the company's common stock and mandatory convertible preferred stock through December 31, 2014. This authorization has expired.

The following table provides information relating to the company's repurchase of common stock during the three months ended December 31, 2014.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of the Publicly Announced Plan	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Publicly Announced Plan
October 1, 2014 – October 31, 2014	267,174	20.52	267,174	$2,677,099
November 1, 2014 – November 30, 2014	—	—	—	$2,677,099
December 1, 2014 – December 31, 2014	—	—	—	$0
Total	267,174	$20.52	267,174	

ITEM 6. SELECTED FINANCIAL DATA

A summary of selected financial data is set forth under the heading "Five-year summary of selected financial data" in the Unisys 2014 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition and results of operations is set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Unisys 2014 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information concerning market risk is set forth under the heading "Market risk" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Unisys 2014 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements of Unisys, consisting of the consolidated balance sheets at December 31, 2014 and 2013 and the related consolidated statements of income, comprehensive income, cash flows and deficit for each of the three years in the period ended December 31, 2014, appearing in the Unisys 2014 Annual Report to Stockholders, together with the report of KPMG LLP, independent registered public accountants, on the financial statements at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, appearing in the Unisys 2014 Annual Report to Stockholders, is incorporated herein by reference. Supplementary financial data, consisting of information appearing under the heading "Quarterly financial information" in the Unisys 2014 Annual Report to Stockholders, is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report, management performed, with the participation of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), an evaluation of the effectiveness of the company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based upon that evaluation, the CEO and the CFO concluded that, as of December 31, 2014, the company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified by the SEC, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Report of Management on Internal Control Over Financial Reporting

The management of the company is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, we concluded that the company maintained effective internal control over financial reporting as of December 31, 2014, based on the specified criteria.

KPMG LLP, an independent registered public accounting firm, has audited the company's internal control over financial reporting as of December 31, 2014, as stated in its report that appears in the Unisys 2014 Annual Report to Stockholders, and such report is incorporated herein by reference.

Changes in Internal Control over Financial Reporting

There have been no changes in the company's internal control over financial reporting during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding our executive officers is incorporated herein by reference to Part I, Item 1 above.

The following information is incorporated herein by reference to our Definitive Proxy Statement for the 2015 Annual Meeting of Stockholders (the "Proxy Statement"):

- Information regarding our directors is set forth under the heading "Nominees for Election to the Board of Directors".
- Information regarding the Unisys Code of Ethics and Business Conduct is set forth under the heading "Code of Ethics and Business Conduct".
- Information regarding our audit and finance committee and audit committee financial experts is set forth under the heading "Committees".

ITEM 11. EXECUTIVE COMPENSATION

Information regarding executive compensation is set forth under the heading "EXECUTIVE COMPENSATION" in the Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following information is incorporated herein by reference to the Proxy Statement:

- Information regarding securities authorized for issuance under equity compensation plans is set forth under the heading “EQUITY COMPENSATION PLAN INFORMATION”.
- Information regarding the security ownership of certain beneficial owners, directors and executive officers is set forth under the heading “SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT”.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The following information is incorporated herein by reference to the Proxy Statement:

- Information regarding transactions with related persons is set forth under the heading “Related Party Transactions”
- Information regarding director independence is set forth under the heading “Independence of Directors”.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information concerning fees and services of the company’s principal accountants is set forth under the heading “Independent Registered Public Accounting Firm Fees and Services” in the Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this report:

1. Financial Statements from the Unisys 2014 Annual Report to Stockholders which are incorporated herein by reference:

    Consolidated Balance Sheets at December 31, 2014 and December 31, 2013

    Consolidated Statements of Income for each of the three years in the period ended December 31, 2014

    Consolidated Statements of Comprehensive Income for each of the three years in the period ended December 31, 2014

    Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2014

    Consolidated Statements of Deficit for each of the three years in the period ended December 31, 2014

    Notes to Consolidated Financial Statements

    Report of Management on Internal Control over Financial Reporting

    Report of Independent Registered Public Accounting Firm

2. Additional information filed as part of this report pursuant to Item 8 of this report:

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The financial statement schedule should be read in conjunction with the consolidated financial statements and notes thereto in the Unisys 2014 Annual Report to Stockholders. Financial statement schedules not included with this report have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits. Those exhibits required to be filed by Item 601 of Regulation S-K are listed in the Exhibit Index included in this report at pages 10 through 12. Management contracts and compensatory plans and arrangements are listed as Exhibits 10.1 through 10.28.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNISYS CORPORATION

By: /s/ Peter A. Altabef

Peter A. Altabef
President and Chief Executive Officer

Date: February 23, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 23, 2015.

/s/ Peter A. Altabef	*Nathaniel A. Davis
Peter A. Altabef **Director, President and Chief Executive Officer** **(principal executive officer)**	**Nathaniel A. Davis** **Director**
/s/ Janet Brutschea Haugen	*Denise K. Fletcher
Janet Brutschea Haugen **Senior Vice President and Chief Financial Officer** **(principal financial officer)**	**Denise K. Fletcher** **Director**
/s/ William M. Reinheimer	*Leslie F. Kenne
William M. Reinheimer **(principal accounting officer)**	**Leslie F. Kenne** **Director**
*Jared L. Cohon	*Lee D. Roberts
Jared L. Cohon **Director**	**Lee D. Roberts** **Director**
*Alison Davis	*Paul E. Weaver
Alison Davis **Director**	**Paul E. Weaver** **Director**
*By: /s/ Peter A. Altabef	
Peter A. Altabef **Attorney-in-fact**	

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Unisys Corporation:

Under date of February 23, 2015, we reported on the consolidated balance sheets of Unisys Corporation and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, deficit and cash flows for each of the years in the three year period ended December 31, 2014, as contained in the Annual Report to Stockholders for the year ended December 31, 2014 incorporated in this Form 10-K. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule referred to in Item 15(2) in this Form 10-K. This financial statement schedule is the responsibility of the Company’s management. Our responsibility is to express an opinion on the financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP
Philadelphia, Pennsylvania
February 23, 2015

UNISYS CORPORATION
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(Millions)

Description		Balance at Beginning of Period		Additions Charged to Costs and Expenses		Deductions (1)		Balance at End of Period
Allowance for doubtful accounts (deducted from accounts and notes receivable):								
Year Ended December 31, 2012	$	35.3	$	(2.7)	$	(3.8)	$	28.8
Year Ended December 31, 2013	$	28.8	$	(.6)	$	.1	$	28.3
Year Ended December 31, 2014	$	28.3	$	2.7	$	(.9)	$	30.1

(1) Includes write-off of bad debts less recoveries, reclassifications from other current liabilities and foreign currency translation adjustments.

EXHIBIT INDEX

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of Unisys Corporation (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed on April 30, 2010)
3.2	Certificate of Amendment to Restated Certificate of Incorporation of Unisys Corporation (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed on April 28, 2011)
3.3	By-Laws of Unisys Corporation, as amended through April 26, 2010 (incorporated by reference to Exhibit 3.2 to the Company’s Current Report on Form 8-K filed on April 30, 2010)
4.1	Agreement to furnish to the Commission on request a copy of any instrument defining the rights of the holders of long-term debt which authorizes a total amount of debt not exceeding 10% of the total assets of the Company (incorporated by reference to Exhibit 4 to the Company’s Annual Report on Form 10-K for the year ended December 31, 1982 (File No. 1-145))
4.2	Senior Indenture, dated as of June 1, 2012, between Unisys Corporation and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company’s Registration Statement on Form S-3 (Registration No. 333-181874))
4.3	First Supplemental Indenture, dated as of August 21, 2012, between Unisys Corporation and Wells Fargo Bank, National Association, as Trustee (the “Trustee”), to the Senior Indenture, dated as of June 1, 2012, between the Company and the Trustee (incorporated by reference to Exhibit 4.1 to the Company’s Current Report on Form 8-K filed on August 22, 2012)
10.1	Form of Indemnification Agreement between Unisys Corporation and each of its Directors (incorporated by reference to Exhibit B to the Company’s Proxy Statement, dated March 22, 1988, for its 1988 Annual Meeting of Stockholders)
10.2	Unisys Corporation Director Stock Unit Plan, as amended and restated effective September 22, 2000 (incorporated by reference to Exhibit 10.5 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2000)
10.3	Deferred Compensation Plan for Directors of Unisys Corporation, as amended and restated effective April 22, 2004 (incorporated by reference to Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004)
10.4	2005 Deferred Compensation Plan for Directors of Unisys Corporation, as amended and restated effective December 2, 2010 except at otherwise noted therein (incorporated by reference to Exhibit 10.17 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2010)
10.5	Unisys Corporation 2003 Long-Term Incentive and Equity Compensation Plan, as amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10.13 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008)

10.6	Amendment to Unisys Corporation 2003 Long-Term Incentive and Equity Compensation Plan, effective February 12, 2009 (incorporated by reference to Exhibit 10.14 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008)
10.7	Unisys Corporation 2007 Long-Term Incentive and Equity Compensation Plan, as amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10.20 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008)
10.8	Amendment to Unisys Corporation 2007 Long-Term Incentive and Equity Compensation Plan, effective February 12, 2009 (incorporated by reference to Exhibit 10.21 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008)
10.9	Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan (incorporated by reference to Appendix E to the Company’s Proxy Statement, dated March 18, 2010, for its 2010 Annual Meeting of Stockholders)
10.10	Form of Performance-Based Restricted Stock Unit Agreement
10.11	Form of Time-Based Restricted Stock Unit Agreement
10.12	Form of Stock Option Agreement
10.13	Unisys Executive Annual Variable Compensation Plan (incorporated by reference to Exhibit A to the Company’s Proxy Statement, dated March 23, 1993, for its 1993 Annual Meeting of Stockholders)
10.14	Unisys Corporation Deferred Compensation Plan as amended and restated effective September 22, 2000 (incorporated by reference to Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2000)
10.15	Unisys Corporation 2005 Deferred Compensation Plan, as amended and restated effective January 1, 2005 except as otherwise noted therein (incorporated by reference to Exhibit 10.27 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008)
10.16	Form of Executive Employment Agreement for executive officers elected in or prior to 2010 (incorporated by reference to Exhibit 10.10 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008)
10.17	Form of Executive Employment Agreement for executive officers elected after 2010 (incorporated by reference to Exhibit 10.11 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2012)
10.18	Form of letter agreement by and between Unisys Corporation and each of its executive officers who report directly to the Chief Executive Officer (incorporated by reference to Exhibit 10.3 to the Company’s Current Report on Form 8-K filed on December 16, 2014)
10.19	Unisys Corporation Executive Life Insurance Program, as amended and restated effective April 22, 2004 (incorporated by reference to Exhibit 10.21 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2005)
10.20	Amendment to the Unisys Corporation Executive Life Insurance Program, effective January 1, 2009 (incorporated by reference to Exhibit 10.23 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008)
10.21	Unisys Corporation Supplemental Executive Retirement Income Plan, as amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10.25 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008)
10.22	Unisys Corporation Elected Officer Pension Plan, as amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10.26 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2008)
10.23	Unisys Corporation Savings Plan, as amended and restated effective January 1, 2012 (incorporated by reference to Exhibit 10.26 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2011)
10.24	Amendment to Unisys Corporation Savings Plan, effective July 31, 2013 (incorporated by reference to Exhibit 10.29 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2013)
10.25	Summary of supplemental benefits provided to elected officers of Unisys Corporation
10.26	Letter Agreement, dated December 12, 2014, between Unisys Corporation and Peter Altabef (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on December 16, 2014)

10.27	Employment Agreement, dated December 12, 2014, between Unisys Corporation and Peter Altabef (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 16, 2014)
10.28	Agreement, dated December 22, 2008, between Unisys Corporation and J. Edward Coleman (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
12	Statement of Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends
13	Portions of the Company's Annual Report to Stockholders for the year ended December 31, 2014
21	Subsidiaries of the Company
23	Consent of KPMG LLP
24	Power of Attorney
31.1	Certification of Peter A. Altabef required by Rule 13a-14(a) or Rule 15d-14(a)
31.2	Certification of Janet Brutschea Haugen required by Rule 13a-14(a) or Rule 15d-14(a)
32.1	Certification of Peter A. Altabef required by Rule 13a-14(b) or Rule 15d-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
32.2	Certification of Janet Brutschea Haugen required by Rule 13a-14(b) or Rule 15d-14(b) and Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
101.INSXBRL	Instance Document
101.SCHXBRL	Taxonomy Extension Schema Document
101.CALXBRL	Taxonomy Extension Calculation Linkbase Document
101.LABXBRL	Taxonomy Extension Labels Linkbase Document
101.PREXBRL	Taxonomy Extension Presentation Linkbase Document
101.DEFXBRL	Taxonomy Extension Definition Linkbase Document

Exhibit 10.10

UNISYS CORPORATION
2010 Long-Term Incentive and Equity Compensation Plan
Restricted Stock Unit Agreement

In order for the Award provided hereunder to become effective, this Agreement must be accepted electronically by Participant within sixty (60) days of receipt. In the event that this Agreement is not accepted electronically by Participant within this time period, Participant shall be deemed to have rejected the Award.

1. Subject to all provisions hereof and to all of the terms and conditions of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan (the "Plan"), incorporated by this reference herein, Unisys Corporation, a Delaware corporation (the "Company"), hereby grants to the participant named below (the "Participant") an award (the "Award") of restricted stock units in accordance with Section 9 of the Plan. Each restricted stock unit (hereinafter referred to as a "Restricted Stock Unit" or "Unit") represents an obligation of the Company to pay to Participant up to a maximum of one and one-half shares of the Common Stock, par value $0.01 per share, of the Company (the "Stock") on (i) the applicable vesting date or (ii) such earlier date as payment may be due under this agreement (together with Appendix A, and any applicable country-specific terms and provisions set forth in the addendum and the attachments to the addendum (the "Addendum"), the "Agreement"), for each Unit that vests on such date, provided that the conditions precedent to such payment have been satisfied and provided that no Termination of Employment has occurred prior to the respective vesting date.

Participant:	FULL NAME
Total Number of Restricted Stock Units Awarded: [1]	NUMBER OF UNITS
Date of Grant:	DATE OF GRANT
Vesting Schedule:	The Vesting Schedule is set forth in Appendix A to this Agreement.

Capitalized terms used and not defined herein shall have the respective meanings assigned to such terms in the Plan. The terms of the Award are as follows:

[1] All of the Restricted Stock Units subject to this Agreement are Performance-Based Units.

2. Every notice relating to this Agreement shall be in writing and shall be effective when received or with date of posting if by registered mail with return receipt requested, postage prepaid. Notwithstanding Section 18(f) of the Plan, all notices to the Company shall be addressed to Unisys Equity Administration, Unisys Corporation, 801 Lakeview Drive, Suite 100, Blue Bell, Pennsylvania 19422, United States of America. Notices to Participant shall be addressed to his or her last designated address on the Company's records. Either party, by notice to the other, may designate a different address to which notices shall be sent. Any notice by the Company to Participant at his or her last designated address shall be effective to bind Participant and any other person who acquires rights or a claim thereto under this Agreement.

3. Participant's right to any payment under this Award may not be assigned, transferred (other than by will or the laws of descent and distribution), pledged or sold.

4. Except as otherwise provided under the terms of the Plan or this Agreement, all Restricted Stock Units awarded under this Agreement that have not vested will be forfeited and all rights of Participant with respect to such Units will terminate without any payment by the Company upon Termination of Employment by Participant or by the Company or, if Participant is not employed by the Company, the Participant's employer (the "Employer") prior to the applicable vesting date for such Units, as set forth in Appendix A (the "Vesting Date").

For purposes of this Award, Termination of Employment (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate or the terms of Participant's employment or service contract, if any) is deemed to occur effective as of the date that Participant is no longer actively employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate and will not be extended by any notice period (*e.g.* , Participant's period of service with the Company, the Employer or any other Subsidiary or Affiliate would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate or the terms of Participant's employment or service contract, if any). The Company shall have the sole discretion to determine when Participant is no longer actively employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate for purposes of the Award (including whether Participant may still be considered to be providing such services while on a leave of absence).

5. In the event of Participant's Termination of Employment within two years following the date of a Change in Control either (i) involuntarily by the Company or the Employer, as applicable, other than for Cause, or (ii) for Good Reason, any portion of the Award that is unvested and outstanding as of the date of Participant's Termination of Employment will become vested in accordance with the rules under Section 11(a)(4) of the Plan, provided, however, that, notwithstanding any language to the contrary in Section 11(a)(4) or Section 11(a)(5) of the Plan, the Units will be paid only in shares of Stock. Notwithstanding the foregoing, if the Committee determines in its sole discretion that the Units are nonqualified deferred compensation under Section 409A of the Code, then, if the Participant is a "specified employee" within the meaning of Section 409A of the Code, Participant's entitlement to vesting with respect to the Award shall be as provided in this paragraph 5, but the delivery of the shares of Stock subject to Participant's Units shall be made on the first day of the seventh month following the Participant's Termination of Employment. For purposes of this paragraph 5, if the Committee determines in its sole discretion that the Units are nonqualified deferred compensation under Section 409A of the Code, Termination of Employment shall be limited to those circumstances that constitute a "separation from service" within the meaning of Section 409A of the Code. This paragraph 5 will not be applicable to the Award if the Change in Control results from Participant's beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of Stock or Voting Securities.

6. Each payment that may become due hereunder shall be made only in shares of Stock, unless otherwise provided in this Agreement. Except as otherwise provided in paragraph 5, such shares will be issued to Participant as soon as practicable after the relevant Vesting Date but in any event within the period ending two and one-half months following the earlier of the end of the taxable year of the Company or the taxable year of Participant which, in each case, includes the Vesting Date.

7. Any dispute or disagreement arising under or as a result of this Agreement, shall be determined by the Committee (or, as to the provisions contained in paragraph 8 hereof, by the Company), or its designee, in its sole discretion and any such determination and interpretation or other action taken by said Committee (or, as to the provisions contained in paragraph 8 hereof, by the Company), or its designee, pursuant to the provisions of the Plan shall be binding and conclusive for all purposes whatsoever.

8. The greatest assets of Unisys* are its employees, technology and customers. In recognition of the increased risk of unfairly losing any of these assets to its competitors, Unisys has adopted the following policy. By accepting this Award, Participant agrees that:

* For purposes of this paragraph 8, the term "Unisys" shall include the Company and all of its Subsidiaries and Affiliates.

8.1 During employment and for twelve months after leaving Unisys, Participant will not: (a) directly or indirectly solicit or attempt to influence any employee of Unisys to terminate his or her employment with Unisys, except as directed by Unisys; (b) directly or indirectly solicit or divert to any competing business any customer or prospective customer to which Participant was assigned at any time during the eighteen months prior to leaving Unisys; or (c) perform services for any Unisys customer or prospective customer, of the type Participant provided while employed by Unisys for any Unisys customer or prospective customer for which Participant worked at any time during the eighteen months prior to leaving Unisys.

8.2 Participant previously signed the Unisys Employee Proprietary Information, Invention and Non-Competition Agreement in which he or she agreed not to disclose, transfer, retain or copy any confidential or proprietary information during or after the term of Participant's employment, and Participant acknowledges his or her continuing obligations under that agreement. Participant shall be bound by the terms of the Employee Proprietary Information, Invention and Non-Competition Agreement and the restrictions set out in this paragraph 8 of this Agreement vis-à-vis the Company or the Employer, as applicable, and all restrictions and limitations set out in these agreements are in addition to and not in substitution of any other restrictive covenants (similar or otherwise) that Participant might be bound by vis-à-vis the Company or the Employer, as applicable, by virtue of his or her contract of employment or other agreements executed between Participant and the Company or the Employer, as applicable, which restrictive covenants shall remain in full force and continue to apply, notwithstanding any provisions to the contrary in this Agreement and/or the Employee Proprietary Information, Invention and Non-Competition Agreement.

8.3 Participant agrees that Unisys shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, in the event of a breach of any of the covenants contained in this paragraph 8.

8.4 Participant agrees that Unisys may assign the right to enforce the non-solicitation and non-competition obligations of Participant described in paragraph 8.1 to its successors and assigns without any further consent from Participant.

8.5 The provisions contained in this paragraph 8 shall survive after Participant's Termination of Employment and may not be modified or amended except by a writing executed by Participant and the Chairman of the Board of the Company.

9. In accepting the Award, Participant acknowledges, understands and agrees that: (i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Board at any time, to the extent permitted by the Plan; (ii) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units even if restricted stock units have been granted in the past; (iii) all decisions with respect to future awards of restricted stock units, if any, will be at the sole discretion of the Committee or its designee; (iv) the grant of the Award and Participant's participation in the Plan shall not create a right to employment

with the Company, the Employer or any other Subsidiary or Affiliate, and shall not interfere with the ability of the Company, the Employer or any other Subsidiary or Affiliate, as applicable, to terminate Participant's employment or service relationship (if any) at any time; (v) Participant's participation in the Plan is voluntary; (vi) the Award and the shares of Stock acquired under the Plan, and the income and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company, the Employer or any other Subsidiary or Affiliate, and are outside the scope of Participant's employment or service contract, if any; (vii) the Award and the shares of Stock acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation; (viii) the Award and the shares of Stock acquired under the Plan, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension, retirement or welfare benefits or similar payments; (ix) the Award and Participant's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company, the Employer or any other Subsidiary or Affiliate; (x) the future value of the underlying shares of Stock is unknown, indeterminable, and cannot be predicted with certainty; (xi) if Participant accepts the Award and obtains shares of Stock, the value of those shares of Stock acquired upon vesting may increase or decrease in value; (xii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from Participant's Termination of Employment (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate or the terms of Participant's employment or service contract, if any), and in consideration of the Award to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, the Employer or any other Subsidiary or Affiliate, waives his or her ability, if any, to bring any such claim, and releases the Employer, the Company and any other Subsidiary or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; (xiii) the Award and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability involving the Company and unless otherwise provided in the Plan or by the Company in its sole discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company or be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; (xiv) if Participant is employed or providing services outside the United States of America, Participant acknowledges and agrees that neither the Company, the Employer nor any other Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Award or of any amounts due to Participant pursuant to the settlement of the Award or the subsequent sale of any shares of Stock acquired upon settlement; and (xv) in the event the Company is required to prepare an accounting restatement, the Award, the shares of Stock subject to the Award and proceeds from a sale of such shares may be subject to forfeiture or recoupment, to the extent required from time to time by applicable law or by a policy adopted by the Company, but provided such forfeiture or recoupment is permitted under applicable law.

10. Participant acknowledges that neither the Company nor the Employer (or any other Subsidiary or Affiliate) is providing any tax, legal or financial advice, nor is the Company or the Employer making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying shares of Stock. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

11. Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to him or her ("Tax-Related Items"), Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Award, the issuance of shares of Stock upon settlement of the Award, the subsequent sale of the shares of Stock acquired pursuant to such issuance and the receipt of any dividends or other distributions; and (b) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to tax in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their sole discretion, to satisfy the obligations with regard to all Tax-Related Items by means of one or a combination of the following: (1) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; (2) withholding from proceeds of the sale of shares of Stock acquired upon vesting or settlement of the Award either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization without further consent); or (3) withholding in shares of Stock to be issued upon vesting or settlement of the Award.

To avoid negative accounting treatment or for any other reason, as determined by the Company in its sole discretion, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes Participant is deemed to have been delivered the full number of shares of Stock subject to the Award, notwithstanding that a number of the shares of Stock is held back solely for the purpose of paying the Tax-Related Items.

Finally, within ninety (90) days of any tax liability arising, Participant shall pay to the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan or Participant's receipt of shares of Stock that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or proceeds of the sale of shares of Stock in settlement of the vested Award if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

12. ***Participant hereby explicitly and unambiguously consents and agrees to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other Award grant materials by and among, as applicable, the Employer, the Company and its other Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.***

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Employer, the Company or its other Subsidiaries and Affiliates, and details of all restricted stock units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Personal Data"), for the exclusive purpose of implementing, administering and managing the Plan. Participant understands that Personal Data may be transferred to Fidelity Stock Plan Services, LLC or any other third parties assisting (presently or in the future) in the implementation, administration and management of the Plan. Participant understands that these recipients may be located in the United States of America or elsewhere, and that the recipient's country (e.g., the United States of America) may have different data privacy laws and protections than Participant's country. Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Personal Data by contacting Participant's local human resources representative. Participant authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom Participant may elect to deposit any shares of Stock received upon vesting of the Award. Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that he or she may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Participant's local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Awards or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusal or withdrawal of consent may affect Participant's ability to realize benefits from the Award or otherwise participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

13. If one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provision shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed so as to foster the intent of this Agreement and the Plan.

14. If Participant has received this Agreement or any other document related to the Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

15. Subject to paragraph 2 above, the Company may, in its sole discretion, decide to deliver or receive any documents related to Participant's current and future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

16. This Agreement is intended to comply with the short-term deferral rule set forth in regulations under Section 409A of the Code to avoid application of Section 409A of the Code to the Award; however, to the extent it is subsequently determined that the Award is deemed to be non-qualified deferred compensation subject to Section 409A of the Code, the Agreement is intended to comply in form and operation with Section 409A of the Code, and any ambiguities herein will be interpreted to so comply. The Committee reserves the right, to the extent the Committee deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that the Award is exempt from, or complies with, Section 409A of the Code, provided, however, that the Company makes no representation that this Agreement will be exempt from, or comply with, Section 409A of the Code and shall have no liability to Participant or any other party if a payment under this Agreement that is intended to be exempt from, or compliant with, Section 409A of the Code is not so exempt or compliant or for any action taken by the Company with respect thereto.

17. The Award shall be subject to any special terms and provisions as set forth in the Addendum for Participant’s country, if any. Moreover, if Participant relocates to another country during the life of the Award, the special terms and conditions for such country will apply to Participant to the extent the Company determines in its sole discretion that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

18. This Agreement has been made in and shall be construed under and in accordance with the laws of the Commonwealth of Pennsylvania in the United States of America, without regard to the conflict of laws provisions, as provided in the Plan.

For purposes of any dispute, action or other proceeding that arises under or relates to this Award or this Agreement, the parties (including Participant’s Beneficiary) hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania in the United States of America, and agree that such litigation shall be conducted only in the courts of Montgomery County in the Commonwealth of Pennsylvania in the United States of America, or the federal courts of the United States of America for the Eastern District of Pennsylvania, where this Award is made and/or to be performed, and no other courts.

19. The Company reserves the right to impose other requirements on Participant’s participation in the Plan, on the Award and/or on any shares of Stock acquired under the Plan, to the extent the Company determines in its sole discretion that it is necessary or advisable (including, but not limited to, legal or administrative reasons), and to require Participant to sign and/or accept electronically, at the sole discretion of the Company, any additional agreements or undertakings that may be necessary to accomplish the foregoing as determined by the Company in its sole discretion.

20. Notwithstanding any other provision of the Plan or this Agreement to the contrary, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Stock, the Company shall not be required to deliver any shares of Stock issuable upon settlement of the Award prior to the completion of any registration or qualification of the shares of Stock under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission (“SEC”) or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its sole discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the shares of Stock with the SEC or any local, state, federal or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares of Stock. Further, Participant agrees that the Committee or its designee shall have unilateral authority to amend the Plan and the Agreement without Participant’s consent to the extent necessary to comply with securities or other laws applicable to issuance of shares of Stock.

21. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other participant.

22. Participant acknowledges that, depending on Participant’s country, Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant’s ability to acquire or sell shares of Stock or rights to shares of Stock (e.g., Awards) under the Plan during such times as Participant is considered to have “inside information” regarding the Company (as defined by the laws in Participant’s country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant acknowledges that it is Participant’s responsibility to comply with any applicable restrictions, and Participant is advised to consult with Participant’s own personal legal and financial advisors on this matter before taking any action related to the Plan.

23. To the extent applicable, all references to Participant shall include Participant’s Beneficiary in the case of Participant’s death during or after Participant’s Termination of Employment.

UNISYS CORPORATION
J. Edward Coleman
Chairman and Chief Executive Officer

ONLINE ACCEPTANCE ACKNOWLEDGMENT:

I hereby **accept** my 2014 Restricted Stock Unit Award ("Award") granted to me in accordance with and subject to the terms of this agreement (together with Appendix A and any applicable country-specific terms and provisions set forth in the addendum and any attachments to the addendum (collectively, the "Addendum"), the "Agreement") and the terms and restrictions of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan. I acknowledge that I have read and understand the terms of this Agreement, and that I am familiar with and understand the terms of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan, and that I agree to be bound thereby and by the actions of the Compensation Committee and of the Board of Directors of Unisys Corporation with respect thereto. I acknowledge that this Agreement and other Award materials were delivered or made available to me electronically and I hereby consent to the delivery of my Award materials, and any future materials relating to my Award, in such form. I also acknowledge that I am accepting my Award electronically and that such acceptance has the same force and effect as if I had signed and returned to Unisys Corporation a hard copy of the Agreement noting that I had accepted the Award. I acknowledge that I have been encouraged to discuss this matter with my financial, legal and tax advisors and that this acceptance is made knowingly.

OR

ONLINE REJECTION ACKNOWLEDGMENT:

I hereby **reject** my 2014 Restricted Stock Unit Award ("Award") granted to me in accordance with and subject to the terms of this agreement (together with Appendix A and any applicable country-specific terms and provisions set forth in the addendum and any attachments to the addendum (collectively, the "Addendum"), the "Agreement") and the terms and restrictions of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan. I acknowledge that I have read and understand the terms of this Agreement, and that I am familiar with and understand the terms of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan. I acknowledge that this Agreement and other Award materials were delivered or made available to me electronically and I hereby consent to the delivery of my Award materials, and any future materials relating to my Award, in such form. I also acknowledge that I am rejecting my Award electronically and that such rejection has the same force and effect as if I had signed and returned to Unisys Corporation a hard copy of the Agreement noting that I had rejected the Award. I acknowledge that I have been encouraged to discuss this matter with my financial, legal and tax advisors and that this rejection is made knowingly. I further acknowledge that by rejecting the Award, I will not be entitled to any payment or benefit in lieu of the Award.

APPENDIX A

UNISYS CORPORATION

The Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan
Restricted Stock Unit Agreement

Certain capitalized terms used but not defined in this Appendix A have the meanings set forth in the Plan and/or Participant's relevant Restricted Stock Unit Agreement (together with Appendix A and any applicable country-specific terms and provisions set forth in the addendum and any attachments to the addendum (the "Addendum"), the "Agreement").

All of the Restricted Stock Units granted under the Agreement are Performance-Based Units.

The Restricted Stock Units will vest and will be payable in shares of Stock only if 2014 financial performance goals established by the Compensation Committee of the Board of Directors of the Company ("Performance Goals") are achieved. 2014 Performance Goals [1] consist of technology revenue and service operating margin with each weighted 50%. Threshold, target and maximum performance levels have been set for each goal. The Restricted Stock Units will be converted into shares of Stock at rates ranging from 0.5 (if performance is at threshold level) to 1.0 (if performance is at target level) to 1.5 (if performance is at or above maximum level) shares per Restricted Stock Unit granted. If the Company's performance with respect to a metric is below the threshold level, no shares of Stock will be issued in respect of that performance measure, and the related Restricted Stock Units will be cancelled. See the table below.

The targets listed below are Company Confidential and information regarding actual performance against these targets may be deemed as material non-public information as defined in the Company's Insider Trading Policy.

			Vesting Metric		
Performance Period	**Vesting Dates**	**Performance Level**	**Technology Revenue 2**	**Service Operating Margin 2,3**	**Conversion Rate Applied to Units Vesting Into Shares of Stock 4**
	The number of shares earned will vest 1⁄3 on each anniversary of the grant date	Below Threshold	< $500M	< 6.2% of Services revenue	0.0 shares per unit
2014		Threshold	$500M	6.2% of Services revenue	0.5 share per unit
		Target	$563M	6.5% of Services revenue	1.0 share per unit
		Maximum	$580M	8.0% of Services revenue	1.5 shares per unit

1 The Performance Goals do not and are not intended to meet the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended.

2 The performance metrics are subject to adjustment by the Chief Executive Officer and the Compensation Committee of the Board for special items such as acquisitions/divestitures, reorganizations, or accounting changes. Adjustments, if any, will be timely communicated to participants. The Company will inform Participants of achievement of results against these metrics following the end of the Performance Period.

3 The measure generally is before certain incentive compensation accruals and other special items such as acquisitions/divestitures, reorganizations, or accounting changes.

4 Shares of Stock per unit ratios at Performance Goal levels between threshold and target and between target and maximum will be interpolated on a straight-line basis.

Exhibit 10.11

UNISYS CORPORATION
2010 Long-Term Incentive and Equity Compensation Plan
Restricted Stock Unit Agreement

In order for the Award provided hereunder to become effective, this Agreement must be accepted electronically by Participant within sixty (60) days of receipt. In the event that this Agreement is not accepted electronically by Participant within this time period, Participant shall be deemed to have rejected the Award.

1. Subject to all provisions hereof and to all of the terms and conditions of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan (the “Plan”), incorporated by this reference herein, Unisys Corporation, a Delaware corporation (the “Company”), hereby grants to the participant named below (the “Participant”) an award (the “Award”) of restricted stock units in accordance with Section 9 of the Plan. Each restricted stock unit (hereinafter referred to as a “Restricted Stock Unit” or “Unit”) represents an obligation of the Company to pay to Participant one share of the Common Stock, par value $0.01 per share, of the Company (the “Stock”) on (i) the applicable vesting date or (ii) such earlier date as payment may be due under this agreement (together with any applicable country-specific terms and provisions set forth in the addendum and the attachments to the addendum (the “Addendum”), the “Agreement”), for each Unit that vests on such date, provided that the conditions precedent to such payment have been satisfied and provided that no Termination of Employment has occurred prior to the respective vesting date.

Participant:	FULL NAME
Total Number of Restricted Stock Units Awarded:	NUMBER OF UNITS
Date of Grant:	DATE OF GRANT
Vesting Schedule/Units Vested:	The number of shares granted will vest 1/3 on each anniversary of the grant date.

Capitalized terms used and not defined herein shall have the respective meanings assigned to such terms in the Plan. The terms of the Award are as follows:

2. Every notice relating to this Agreement shall be in writing and shall be effective when received or with date of posting if by registered mail with return receipt requested, postage prepaid. Notwithstanding Section 18(f) of the Plan, all notices to the Company shall be addressed to Unisys Equity Administration, Unisys Corporation, 801 Lakeview Drive, Suite 100, Blue Bell, Pennsylvania 19422, United States of America. Notices to Participant shall be addressed to his or her last designated address on the Company’s records. Either party, by notice to the other, may designate a different address to which notices shall be sent. Any notice by the Company to Participant at his or her last designated address shall be effective to bind Participant and any other person who acquires rights or a claim thereto under this Agreement.

3. Participant’s right to any payment under this Award may not be assigned, transferred (other than by will or the laws of descent and distribution), pledged or sold.

4. Except as otherwise provided under the terms of the Plan or this Agreement, all Restricted Stock Units awarded under this Agreement that have not vested will be forfeited and all rights of Participant with respect to such Units will terminate without any payment by the Company upon Termination of Employment by Participant or by the Company or, if Participant is not employed by the Company, the Participant’s employer (the “Employer”) prior to the applicable vesting date for such Units, as set forth in this Agreement (each, a “Vesting Date”).

For purposes of this Award, Termination of Employment (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate or the terms of Participant’s employment or service contract, if any) is deemed to occur effective as of the date that Participant is no longer actively employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate and will not be extended by any notice period (*e.g.* , Participant’s period of service with the Company, the Employer or any other Subsidiary or Affiliate would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where Participant is employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate or the terms of Participant’s employment or service contract, if any). The Company shall have the sole discretion to determine when Participant is no longer actively employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate for purposes of the Award (including whether Participant may still be considered to be providing such services while on a leave of absence).

5. In the event of Participant’s Termination of Employment within two years following the date of a Change in Control either (i) involuntarily by the Company or the Employer, as applicable, other than for Cause, or (ii) for Good Reason, any portion of the Award that is unvested and outstanding as of the date of Participant’s Termination of Employment will become vested in accordance with the rules under Section 11(a)(5) of the Plan, provided, however, that, notwithstanding any language to the contrary in Section 11(a)(5) of

the Plan, the Units will be paid only in shares of Stock. Notwithstanding the foregoing, if the Committee determines in its sole discretion that the Units are nonqualified deferred compensation under Section 409A of the Code, then, if the Participant is a "specified employee" within the meaning of Section 409A of the Code, Participant's entitlement to vesting with respect to the Award shall be as provided in this paragraph 5, but the delivery of the shares of Stock subject to Participant's Units shall be made on the first day of the seventh month following the Participant's Termination of Employment. For purposes of this paragraph 5, if the Committee determines in its sole discretion that the Units are nonqualified deferred compensation under Section 409A of the Code, Termination of Employment shall be limited to those circumstances that constitute a "separation from service" within the meaning of Section 409A of the Code. This paragraph 5 will not be applicable to the Award if the Change in Control results from Participant's beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of Stock or Voting Securities.

6. Each payment that may become due hereunder shall be made only in shares of Stock, unless otherwise provided in this Agreement. Except as otherwise provided in paragraph 5, such shares will be issued to Participant as soon as practicable after the relevant Vesting Date but in any event within the period ending two and one-half months following the earlier of the end of the taxable year of the Company or the taxable year of Participant which, in each case, includes the Vesting Date.

7. Any dispute or disagreement arising under or as a result of this Agreement, shall be determined by the Committee (or, as to the provisions contained in paragraph 8 hereof, by the Company), or its designee, in its sole discretion and any such determination and interpretation or other action taken by said Committee (or, as to the provisions contained in paragraph 8 hereof, by the Company), or its designee, pursuant to the provisions of the Plan shall be binding and conclusive for all purposes whatsoever.

8. The greatest assets of Unisys* are its employees, technology and customers. In recognition of the increased risk of unfairly losing any of these assets to its competitors, Unisys has adopted the following policy. By accepting this Award, Participant agrees that:

*	For purposes of this paragraph 8, the term "Unisys" shall include the Company and all of its Subsidiaries and Affiliates.

8.1 During employment and for twelve months after leaving Unisys, Participant will not: (a) directly or indirectly solicit or attempt to influence any employee of Unisys to terminate his or her employment with Unisys, except as directed by Unisys; (b) directly or indirectly solicit or divert to any competing business any customer or prospective customer to which Participant was assigned at any time during the eighteen months prior to leaving Unisys; or (c) perform services for any Unisys customer or prospective customer, of the type Participant provided while employed by Unisys for any Unisys customer or prospective customer for which Participant worked at any time during the eighteen months prior to leaving Unisys.

8.2 Participant previously signed the Unisys Employee Proprietary Information, Invention and Non-Competition Agreement in which he or she agreed not to disclose, transfer, retain or copy any confidential or proprietary information during or after the term of Participant's employment, and Participant acknowledges his or her continuing obligations under that agreement. Participant shall be bound by the terms of the Employee Proprietary Information, Invention and Non-Competition Agreement and the restrictions set out in this paragraph 8 of this Agreement vis-à-vis the Company or the Employer, as applicable, and all restrictions and limitations set out in these agreements are in addition to and not in substitution of any other restrictive covenants (similar or otherwise) that Participant might be bound by vis-à-vis the Company or the Employer, as applicable, by virtue of his or her contract of employment or other agreements executed between Participant and the Company or the Employer, as applicable, which restrictive covenants shall remain in full force and continue to apply, notwithstanding any provisions to the contrary in this Agreement and/or the Employee Proprietary Information, Invention and Non-Competition Agreement.

8.3 Participant agrees that Unisys shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, in the event of a breach of the covenants contained in this paragraph 8.

8.4 Participant agrees that Unisys may assign the right to enforce the non-solicitation and non-competition obligations of Participant described in paragraph 8.1 to its successors and assigns without any further consent from Participant.

8.5 The provisions contained in this paragraph 8 shall survive after Participant's Termination of Employment and may not be modified or amended except by a writing executed by Participant and the Chairman of the Board of the Company.

9. In accepting the Award, Participant acknowledges, understands and agrees that: (i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Board at any time, to the extent permitted by the Plan; (ii) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units even if restricted stock units have been granted in the past; (iii) all decisions with respect to future awards of restricted stock units, if any, will be at the sole discretion of the Committee or its designee; (iv) the grant of the Award and Participant's participation in the Plan shall not create a right to employment with the Company, the Employer or any other Subsidiary or Affiliate, and shall not interfere with the ability of the Company, the Employer or any other Subsidiary or Affiliate, as applicable, to terminate Participant's employment or service relationship (if any) at any time; (v) Participant's participation in the Plan is voluntary; (vi) the Award and the shares of Stock acquired under the Plan, and the income and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind

rendered to the Company, the Employer or any other Subsidiary or Affiliate, and are outside the scope of Participant's employment or service contract, if any; (vii) the Award and the shares of Stock acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation; (viii) the Award and the shares of Stock acquired under the Plan, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension, retirement or welfare benefits or similar payments; (ix) the Award and Participant's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company, the Employer or any other Subsidiary or Affiliate; (x) the future value of the underlying shares of Stock is unknown, indeterminable, and cannot be predicted with certainty; (xi) if Participant accepts the Award and obtains shares of Stock, the value of those shares of Stock acquired upon vesting may increase or decrease in value; (xii) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from Participant's Termination of Employment (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate or the terms of Participant's employment or service contract, if any), and in consideration of the Award to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, the Employer or any other Subsidiary or Affiliate, waives his or her ability, if any, to bring any such claim, and releases the Employer, the Company and any other Subsidiary or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; (xiii) the Award and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability involving the Company and unless otherwise provided in the Plan or by the Company in its sole discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company or be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; (xiv) if Participant is employed or providing services outside the United States of America, Participant acknowledges and agrees that neither the Company, the Employer nor any other Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Award or of any amounts due to Participant pursuant to the settlement of the Award or the subsequent sale of any shares of Stock acquired upon settlement; and (xv) in the event the Company is required to prepare an accounting restatement, the Award, the shares of Stock subject to the Award and proceeds from a sale of such shares may be subject to forfeiture or recoupment, to the extent required from time to time by applicable law or by a policy adopted by the Company, but provided such forfeiture or recoupment is permitted under applicable law.

10. Participant acknowledges that neither the Company nor the Employer (or any other Subsidiary or Affiliate) is providing any tax, legal or financial advice, nor is the Company or the Employer making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying shares of Stock. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

11. Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to him or her ("Tax-Related Items"), Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Award, the issuance of shares of Stock upon settlement of the Award, the subsequent sale of the shares of Stock acquired pursuant to such issuance and the receipt of any dividends or other distributions; and (b) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to tax in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their sole discretion, to satisfy the obligations with regard to all Tax-Related Items by means of one or a combination of the following: (1) withholding from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer; (2) withholding from proceeds of the sale of shares of Stock acquired upon vesting or settlement of the Award either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization without further consent); or (3) withholding in shares of Stock to be issued upon vesting or settlement of the Award.

To avoid negative accounting treatment or for any other reason, as determined by the Company in its sole discretion, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes Participant is deemed to have been delivered the full number of shares of Stock subject to the Award, notwithstanding that a number of the shares of Stock is held back solely for the purpose of paying the Tax-Related Items.

Finally, within ninety (90) days of any tax liability arising, Participant shall pay to the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan or Participant's receipt of shares of Stock that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or proceeds of the sale of shares of Stock in settlement of the vested Award if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

12. Participant hereby explicitly and unambiguously consents and agrees to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other Award grant materials by and among, as applicable, the Employer, the Company and its other Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Employer, the Company or its other Subsidiaries and Affiliates, and details of all restricted stock units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Personal Data"), for the exclusive purpose of implementing, administering and managing the Plan. Participant understands that Personal Data may be transferred to Fidelity Stock Plan Services, LLC or any other third parties assisting (presently or in the future) in the implementation, administration and management of the Plan. Participant understands that these recipients may be located in the United States of America or elsewhere, and that the recipient's country (e.g., the United States of America) may have different data privacy laws and protections than Participant's country. Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Personal Data by contacting Participant's local human resources representative. Participant authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom Participant may elect to deposit any shares of Stock received upon vesting of the Award. Participant understands that Personal Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that he or she may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Participant's local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Awards or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusal or withdrawal of consent may affect Participant's ability to realize benefits from the Award or otherwise participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his or her local human resources representative.

13. If one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provision shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed so as to foster the intent of this Agreement and the Plan.

14. If Participant has received this Agreement or any other document related to the Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

15. Subject to paragraph 2 above, the Company may, in its sole discretion, decide to deliver or receive any documents related to Participant's current and future participation in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

16. This Agreement is intended to comply with the short-term deferral rule set forth in regulations under Section 409A of the Code to avoid application of Section 409A of the Code to the Award; however, to the extent it is subsequently determined that the Award is deemed to be non-qualified deferred compensation subject to Section 409A of the Code, the Agreement is intended to comply in form and operation with Section 409A of the Code, and any ambiguities herein will be interpreted to so comply. The Committee reserves

the right, to the extent the Committee deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that the Award is exempt from, or complies with, Section 409A of the Code, provided, however, that the Company makes no representation that this Agreement will be exempt from, or comply with, Section 409A of the Code and shall have no liability to Participant or any other party if a payment under this Agreement that is intended to be exempt from, or compliant with, Section 409A of the Code is not so exempt or compliant or for any action taken by the Company with respect thereto.

17. The Award shall be subject to any special terms and provisions as set forth in the Addendum for Participant's country, if any. Moreover, if Participant relocates to another country during the life of the Award, the special terms and conditions for such country will apply to Participant to the extent the Company determines in its sole discretion that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

18. This Agreement has been made in and shall be construed under and in accordance with the laws of the Commonwealth of Pennsylvania in the United States of America, without regard to the conflict of laws provisions, as provided in the Plan.

For purposes of any dispute, action or other proceeding that arises under or relates to this Award or this Agreement, the parties (including Participant's Beneficiary) hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania in the United States of America, and agree that such litigation shall be conducted only in the courts of Montgomery County in the Commonwealth of Pennsylvania in the United States of America, or the federal courts of the United States of America for the Eastern District of Pennsylvania, where this Award is made and/or to be performed, and no other courts.

19. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Award and/or on any shares of Stock acquired under the Plan, to the extent the Company determines in its sole discretion that it is necessary or advisable (including, but not limited to, legal or administrative reasons), and to require Participant to sign and/or accept electronically, at the sole discretion of the Company, any additional agreements or undertakings that may be necessary to accomplish the foregoing as determined by the Company in its sole discretion.

20. Notwithstanding any other provision of the Plan or this Agreement to the contrary, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Stock, the Company shall not be required to deliver any shares of Stock issuable upon settlement of the Award prior to the completion of any registration or qualification of the shares of Stock under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its sole discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the shares of Stock with the SEC or any local, state, federal or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares of Stock. Further, Participant agrees that the Committee or its designee shall have unilateral authority to amend the Plan and the Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares of Stock.

21. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other participant.

22. Participant acknowledges that, depending on Participant's country, Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell shares of Stock or rights to shares of Stock (e.g., Awards) under the Plan during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws in Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant acknowledges that it is Participant's responsibility to comply with any applicable restrictions, and Participant is advised to consult with Participant's own personal legal and financial advisors on this matter before taking any action related to the Plan.

23. To the extent applicable, all references to Participant shall include Participant's Beneficiary in the case of Participant's death during or after Participant's Termination of Employment.

UNISYS CORPORATION
J. Edward Coleman
Chairman and Chief Executive Officer

ONLINE ACCEPTANCE ACKNOWLEDGMENT:

I hereby **accept** my 2014 Restricted Stock Unit Award (“Award”) granted to me in accordance with and subject to the terms of this agreement (together with Appendix A and any applicable country-specific terms and provisions set forth in the addendum and any attachments to the addendum (collectively, the “Addendum”), the “Agreement”) and the terms and restrictions of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan. I acknowledge that I have read and understand the terms of this Agreement, and that I am familiar with and understand the terms of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan, and that I agree to be bound thereby and by the actions of the Compensation Committee and of the Board of Directors of Unisys Corporation with respect thereto. I acknowledge that this Agreement and other Award materials were delivered or made available to me electronically and I hereby consent to the delivery of my Award materials, and any future materials relating to my Award, in such form. I also acknowledge that I am accepting my Award electronically and that such acceptance has the same force and effect as if I had signed and returned to Unisys Corporation a hard copy of the Agreement noting that I had accepted the Award. I acknowledge that I have been encouraged to discuss this matter with my financial, legal and tax advisors and that this acceptance is made knowingly.

OR

ONLINE REJECTION ACKNOWLEDGMENT:

I hereby **reject** my 2014 Restricted Stock Unit Award (“Award”) granted to me in accordance with and subject to the terms of this agreement (together with Appendix A and any applicable country-specific terms and provisions set forth in the addendum and any attachments to the addendum (collectively, the “Addendum”), the “Agreement”) and the terms and restrictions of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan. I acknowledge that I have read and understand the terms of this Agreement, and that I am familiar with and understand the terms of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan. I acknowledge that this Agreement and other Award materials were delivered or made available to me electronically and I hereby consent to the delivery of my Award materials, and any future materials relating to my Award, in such form. I also acknowledge that I am rejecting my Award electronically and that such rejection has the same force and effect as if I had signed and returned to Unisys Corporation a hard copy of the Agreement noting that I had rejected the Award. I acknowledge that I have been encouraged to discuss this matter with my financial, legal and tax advisors and that this rejection is made knowingly. I further acknowledge that by rejecting the Award, I will not be entitled to any payment or benefit in lieu of the Award.

Exhibit 10.12

UNISYS CORPORATION
2010 Long-Term Incentive and Equity Compensation Plan
Nonqualified Stock Option Agreement

In order for the NQSO provided hereunder to become effective , this Agreement must be accepted electronically by Optionee within sixty (60) days of receipt. In the event that this Agreement is not accepted electronically by Optionee within this time period, Optionee shall be deemed to have rejected the NQSO.

1. Subject to all provisions hereof and to all of the terms and conditions of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan (the “Plan”), incorporated by this reference herein, Unisys Corporation, a Delaware corporation (the “Company”), hereby grants to the optionee named below (“Optionee”), a Nonqualified Stock Option (“NQSO”) in accordance with Section 6 of the Plan for the number of shares shown pursuant to which Optionee may purchase the number of shares of the Common Stock, par value $0.01 per share, of the Company (“Stock”) at the exercise price set forth as follows:

Optionee:	FULL NAME
Number of shares of Stock as to which the NQSO is granted:	NUMBER OF SHARES OF STOCK
Exercise price per share of Stock:	EXERCISE PRICE
Date of NQSO grant:	GRANT DATE
Expiration of NQSO:	EXPIRATION DATE

Capitalized terms used and not defined herein shall have the respective meanings assigned to such terms in the Plan.

2. Unless all or any portion of the NQSO becomes vested at an earlier date in accordance with the Plan or paragraph 5 of this agreement (together with any applicable country-specific terms and provisions set forth in the addendum and any attachments to the addendum (collectively, the “Addendum”), the “Agreement”), the NQSO shall vest as follows: one-third of the number of shares of Stock subject to the NQSO shall vest on the first anniversary of the date of the NQSO grant, one-third shall vest on the second anniversary of the date of the NQSO grant, and the remaining one-third shall vest on the third anniversary of the date of the NQSO grant, provided that no Termination of Employment has occurred prior to the respective vesting date. The NQSO upon becoming vested may thereafter be exercised to purchase shares of Stock until termination of the NQSO on the date set forth above or on such earlier date(s) as provided in paragraph 5 of this Agreement, including, but not limited to, upon Optionee’s death, disability, retirement or other Termination of Employment.

Except as set forth in paragraph 5 and as otherwise provided in the Plan, in the event of Optionee’s Termination of Employment (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Optionee is employed or providing services to the Company or any Subsidiary or Affiliate or the terms of Optionee’s employment or service contract, if any), Optionee’s right to vest in the NQSO under the Plan, if any, will terminate effective as of the date that Optionee is no longer actively employed or providing services to the Company or any Subsidiary or Affiliate and will not be extended by any notice period (*e.g.* , Optionee’s period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where Optionee is employed or providing services to the Company or any Subsidiary or Affiliate or the terms of Optionee’s employment or service contract, if any). The Company shall have the sole discretion to determine when Optionee is no longer actively employed or providing services to the Company or any Subsidiary or Affiliate for purposes of the NQSO grant (including whether Optionee may still be considered to be providing services to the Company or any Subsidiary or Affiliate while on a leave of absence).

3. Every notice relating to this Agreement shall be in writing and shall be effective when received or with date of posting if by registered mail with return receipt requested, postage prepaid. Notwithstanding Section 18(f) of the Plan, all notices to the Company shall be addressed to Unisys Equity Administration, Unisys Corporation, 801 Lakeview Drive, Suite 100, Blue Bell, Pennsylvania 19422, United States of America. Notices to Optionee shall be addressed to his or her last designated address on the Company’s records. Either party, by notice to the other, may designate a different address to which notices shall be sent. Any notice by the Company to Optionee at his or her last designated address shall be effective to bind Optionee and any other person who acquires rights or a claim thereto under this Agreement.

4. Except as otherwise provided in paragraph 4.1, during the lifetime of Optionee, only Optionee personally (or Optionee’s personal representative) may exercise the NQSO granted under this Agreement, and the NQSO granted under this Agreement may not be assigned or transferred other than by will or the laws of descent and distribution. Optionee’s Beneficiary may exercise Optionee’s NQSO to the extent it is exercisable under this Agreement following the death of Optionee.

4.1. If Optionee is an elected officer of the Company as of the date of grant, the NQSO may be transferred only to an immediate family member, a trust solely for the benefit of the immediate family member, or a partnership or limited liability company whose only partners or shareholders are immediate family members (the "Transferee"). The term "immediate family member" includes Optionee's children, grandchildren, spouse, siblings and parents.

The NQSO must be transferred without the receipt of consideration in return.

Optionee must provide notice of the transfer to the corporate secretary of the Company (the "Corporate Secretary") at least five business days prior to the transfer date. The transfer must be approved by the Corporate Secretary in order to be effective. The transfer shall be deemed to be approved by the Corporate Secretary if the transfer request is not rejected within the five-day notice period.

The terms of this Agreement shall apply to the Transferee, except that the Transferee's NQSO may not be assigned, transferred (other than by will or the laws of descent and distribution), pledged or sold, and during the lifetime of the Transferee, only the Transferee personally (or the Transferee's personal representative) may exercise rights under this Agreement. The Transferee's beneficiary may exercise the Transferee's rights to the extent they are exercisable under this Agreement following the death of the Transferee.

Notwithstanding the transfer of the NQSO by Optionee, Optionee shall remain liable for all Tax-Related Items (as defined in paragraph 10) resulting from the Transferee's NQSOs. The Company may refuse to honor the exercise and refuse to deliver the shares of Stock or proceeds of the sale of shares of Stock if Optionee fails to comply with his or her obligations in connection with the Tax-Related Items (as defined in paragraph 10), as further described in paragraph 10.

5. Notwithstanding Section 11(a)(1) of the Plan, in the event of Optionee's Termination of Employment within two years following the date of a Change in Control either (i) involuntarily by the Company or, if Optionee is not employed by the Company, Optionee's employer (the "Employer"), as applicable, other than for Cause, or (ii) for Good Reason, any portion of the NQSO that is unvested and outstanding as of the date of Optionee's Termination of Employment will become fully vested and will be exercisable in accordance with procedures established by the Committee or, in the absence of such procedures, as set forth in paragraph 5.1 of this Agreement. This paragraph 5 will not be applicable to the NQSO if the Change in Control results from Optionee's beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of Stock or Voting Securities.

5.1 Notwithstanding Section 6(d) of the Plan, in the event of Optionee's Termination of Employment for any reason other than for Cause, death, disability, retirement on or after Optionee's Normal Retirement Age or after attaining age 55 with five years of service with the Company, the Employer or any other Subsidiary or Affiliate, the portion of the NQSO that is vested on the date of Optionee's Termination of Employment will remain exercisable for ninety (90) days after the date of Optionee's Termination of Employment, but in no event may the NQSO be exercised after the expiration date of the NQSO set forth in paragraph 1 of this Agreement.

In the event of Optionee's Termination of Employment by reason of death, disability, retirement on or after Optionee's Normal Retirement Age or after attaining age 55 with five years of service, the treatment of the NQSO shall be as set forth in Section 6(d) of the Plan. In the event of Optionee's Termination of Employment for Cause, Optionee's right to exercise the NQSO, if any, shall terminate upon Optionee's Termination of Employment.

5.2 Optionee's right to exercise the NQSO after Optionee's Termination of Employment (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Optionee is employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate or the terms of Optionee's employment or service contract, if any), will be measured by the date of termination of Optionee's active employment with the Company, the Employer or any other Subsidiary or Affiliate and will not be extended by any notice period mandated under employment laws in the jurisdiction where Optionee is employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate or the terms of Optionee's employment or service contract, if any. The Company shall have the sole discretion to determine when Optionee is no longer actively employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate for purposes of the NQSO grant (including whether Optionee may still be considered to be providing such services while on a leave of absence).

5.3. Notwithstanding Sections 6(d)(1) and 6(d)(3) of the Plan, if the Company receives an opinion of counsel that there has been a legal judgment and/or a legal development in Optionee's jurisdiction that would likely result in the favorable treatment upon Optionee's Termination of Employment on or after Optionee's Normal Retirement Age or after attaining age 55 with five years of service with the Company or any Subsidiary or Affiliate that applies to the NQSO pursuant to Sections 6(d)(1) and 6(d)(3) of the Plan being deemed unlawful and/or discriminatory, then the Company will not apply the favorable treatment at the time of Optionee's Termination of Employment, and the NQSO will be treated as it would under the other applicable rules of the Plan or this Agreement, as determined by the Company in its sole discretion.

6. Any dispute or disagreement arising under or as a result of this Agreement, shall be determined by the Committee (or, as to the provisions contained in paragraph 7 hereof, by the Company), or its designee, in its sole discretion and any such determination and interpretation or other action taken by said Committee (or, as to the provisions contained in paragraph 7 hereof, by the Company), or its designee, pursuant to the provisions of the Plan shall be binding and conclusive for all purposes whatsoever.

7. The greatest assets of Unisys* are its employees, technology and customers. In recognition of the increased risk of unfairly losing any of these assets to its competitors, Unisys has adopted the following policy. By accepting this NQSO grant, Optionee agrees that:

* For purposes of this paragraph 7, the term “Unisys” shall include the Company and all of its Subsidiaries and Affiliates.

7.1 During employment and for twelve months after leaving Unisys, Optionee will not: (a) directly or indirectly solicit or attempt to influence any employee of Unisys to terminate his or her employment with Unisys, except as directed by Unisys; (b) directly or indirectly solicit or divert to any competing business any customer or prospective customer to which Optionee was assigned at any time during the eighteen months prior to leaving Unisys; or (c) perform services for any Unisys customer or prospective customer, of the type Optionee provided while employed by Unisys for any Unisys customer or prospective customer for which Optionee worked at any time during the eighteen months prior to leaving Unisys.

7.2 Optionee previously signed the Unisys Employee Proprietary Information, Invention and Non-Competition Agreement in which he or she agreed not to disclose, transfer, retain or copy any confidential or proprietary information during or after the term of Optionee’s employment, and Optionee acknowledges his or her continuing obligations under that agreement. Optionee shall be bound by the terms of the Employee Proprietary Information, Invention and Non-Competition Agreement and the restrictions set out in this paragraph 7 of this Agreement vis-à-vis the Company or the Employer, as applicable, and all restrictions and limitations set out in these agreements are in addition to and not in substitution of any other restrictive covenants (similar or otherwise) that Optionee might be bound by vis-à-vis the Company or the Employer, as applicable, by virtue of his or her contract of employment or other agreements executed between Optionee and the Company or the Employer, as applicable, which restrictive covenants shall remain in full force and continue to apply, notwithstanding any provisions to the contrary in this Agreement and/or the Employee Proprietary Information, Invention and Non-Competition Agreement.

7.3 Optionee agrees that Unisys shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, in the event of a breach of the covenants contained in this paragraph 7.

7.4 Optionee agrees that Unisys may assign the right to enforce the non-solicitation and non-competition obligations of Optionee described in paragraph 7.1 to its successors and assigns without any further consent from Optionee.

7.5 The provisions contained in this paragraph 7 shall survive after Optionee’s Termination of Employment and may not be modified or amended except by a writing executed by Optionee and the Chairman of the Board of the Company.

8. In accepting the NQSO grant, Optionee acknowledges, understands and agrees that: (i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Board at any time, to the extent permitted by the Plan; (ii) the grant of the NQSO is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options even if options have been granted in the past; (iii) all decisions with respect to future option grants, if any, will be at the sole discretion of the Committee or its designee; (iv) the NQSO grant and Optionee’s participation in the Plan shall not create a right to employment with the Company, the Employer or any other Subsidiary or Affiliate, and shall not interfere with the ability of the Company, the Employer or any other Subsidiary or Affiliate, as applicable, to terminate Optionee’s employment or service relationship (if any) at any time; (v) Optionee’s participation in the Plan is voluntary; (vi) the NQSO and any shares of Stock acquired under the Plan, and the income and value of same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company, the Employer or any other Subsidiary or Affiliate, and are outside the scope of Optionee’s employment or service contract, if any; (vii) the NQSO and any shares of Stock acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation; (viii) the NQSO and any shares of Stock acquired under the Plan, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension, retirement or welfare benefits or similar payments ; (ix) the grant of the NQSO and Optionee’s participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company, the Employer or any other Subsidiary or Affiliate; (x) the future value of the underlying shares of Stock is unknown, indeterminable, and cannot be predicted with certainty; (xi) if Optionee exercises the NQSO and obtains shares of Stock, the value of those shares of Stock acquired upon exercise may increase or decrease in value, even below the exercise price; (xii) if the underlying shares of Stock do not increase in value, the NQSO will have no value; (xiii) no claim or entitlement to compensation or damages shall arise from forfeiture of the NQSO resulting from Optionee’s Termination of Employment (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Optionee is employed or providing services to the Company, the Employer or any other Subsidiary or Affiliate or the terms of Optionee’s employment or service contract, if any), and in consideration of the grant of the NQSO to which Optionee is otherwise not entitled, Optionee irrevocably agrees never to institute any claim against the Company, the Employer or any other Subsidiary or Affiliate, waives his or her ability, if any, to bring any such claim, and releases the Employer, the Company and any other Subsidiary or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Optionee shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims; (xiv) the NQSO and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of

liability involving the Company and unless otherwise provided in the Plan or by the Company in its sole discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the NQSO or any such benefits transferred to, or assumed by, another company or be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; (xv) if Optionee is employed or providing services outside the United States of America, Optionee acknowledges and agrees that neither the Company, the Employer nor any other Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between Optionee's local currency and the United States Dollar that may affect the value of the NQSO or of any amounts due to Optionee pursuant to the exercise of the NQSO or the subsequent sale of any shares of Stock acquired upon exercise; and (xvi) in the event the Company is required to prepare an accounting restatement, the NQSO, the shares of Stock subject to the NQSO and proceeds from a sale of such shares may be subject to forfeiture or recoupment, to the extent required from time to time by applicable law or by a policy adopted by the Company, but provided such forfeiture or recoupment is permitted under applicable law.

9. Optionee acknowledges that neither the Company nor the Employer (or any other Subsidiary or Affiliate) is providing any tax, legal or financial advice, nor is the Company or the Employer (or any other Subsidiary or Affiliate) making any recommendations regarding Optionee's participation in the Plan, or Optionee's acquisition or sale of the underlying shares of Stock. Optionee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

10. Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Optionee's participation in the Plan and legally applicable to him or her ("Tax-Related Items"), Optionee acknowledges that the ultimate liability for all Tax-Related Items is and remains Optionee's responsibility and may exceed the amount actually withheld by the Company or the Employer. Optionee further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the NQSO, including, but not limited to, the grant, vesting or exercise of the NQSO, the delivery of shares of Stock upon exercise of the NQSO, the subsequent sale of the shares of Stock acquired pursuant to such exercise and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the NQSO to reduce or eliminate Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if Optionee is subject to tax in more than one jurisdiction, Optionee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Optionee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Optionee authorizes the Company and/or the Employer, or their respective agents, at their sole discretion, to satisfy the obligations with regard to all Tax-Related Items by means of one or a combination of the following: (1) withholding from Optionee's wages or other cash compensation paid to Optionee by the Company and/or the Employer; (2) withholding from proceeds of the sale of shares of Stock acquired upon exercise of the NQSO either through a voluntary sale or through a mandatory sale arranged by the Company (on Optionee's behalf pursuant to this authorization without further consent); or (3) withholding in shares of Stock to be delivered upon exercise of the NQSO.

To avoid negative accounting treatment or for any other reason, as determined by the Company in its sole discretion, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Optionee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes Optionee is deemed to have been issued the full number of shares of Stock subject to the exercised NQSO, notwithstanding that a number of the shares of Stock is held back solely for the purpose of paying the Tax-Related Items.

Finally, within ninety (90) days of any tax liability arising, Optionee shall pay to the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold or account for as a result of Optionee's participation in the Plan or Optionee's purchase of shares of Stock that cannot be satisfied by the means previously described. The Company may refuse to honor the exercise and refuse to deliver the shares of Stock or proceeds of the sale of shares of Stock if Optionee fails to comply with his or her obligations in connection with the Tax-Related Items.

11. Optionee hereby explicitly and unambiguously consents and agrees to the collection, use and transfer, in electronic or other form, of Optionee's personal data as described in this Agreement and any other NQSO grant materials by and among, as applicable, the Employer, the Company and its other Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing Optionee's participation in the Plan.

Optionee understands that the Company and the Employer may hold certain personal information about Optionee, including, but not limited to, Optionee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Employer, the Company or its other Subsidiaries and Affiliates, and details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in Optionee's favor ("Personal Data"), for the exclusive purpose of implementing, administering and managing the Plan. Optionee understands that Personal Data may be transferred to Fidelity Stock Plan Services, LLC or any other third parties assisting (presently or in the future) in the implementation, administration and management of the Plan.

Optionee understands that these recipients may be located in the United States of America or elsewhere, and that the recipient's country (e.g., the United States of America) may have different data privacy laws and protections than Optionee's country. Optionee understands that he or she may request a list with the names and addresses of any potential recipients of the Personal Data by contacting Optionee's local human resources representative. Optionee authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for the sole purpose of implementing, administering and managing Optionee's participation in the Plan, including any requisite transfer of such Personal Data as may be required to a broker or other third party with whom Optionee may elect to deposit any shares of Stock acquired upon exercise of the NQSO. Optionee understands that Personal Data will be held only as long as is necessary to implement, administer and manage Optionee's participation in the Plan. Optionee understands that he or she may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Optionee's local human resources representative. Further, Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If Optionee does not consent, or if Optionee later seeks to revoke his or her consent, his or her employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Optionee's consent is that the Company would not be able to grant Optionee NQSOs or other equity awards or administer or maintain such awards. Therefore, Optionee understands that refusal or withdrawal of consent may affect Optionee's ability to exercise or realize benefits from the NQSO or otherwise participate in the Plan. For more information on the consequences of Optionee's refusal to consent or withdrawal of consent, Optionee understands that he or she may contact his or her local human resources representative.

12. If one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provision shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed so as to foster the intent of this Agreement and the Plan.

13. If Optionee has received this Agreement or any other document related to the NQSO and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

14. Subject to paragraph 3 above, the Company may, in its sole discretion, decide to deliver or receive any documents related to Optionee's current and future participation in the Plan by electronic means. Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. Neither the Plan nor this Agreement is intended to provide for an elective deferral of compensation that would be subject to Section 409A of the Code. The Committee reserves the right, to the extent the Committee deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Agreement as may be necessary to ensure that no NQSO becomes subject to the requirements of Section 409A of the Code, provided, however, that the Company makes no representation that the NQSO is not subject to Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the NQSO.

16. The NQSO shall be subject to any special terms and provisions as set forth in the Addendum for Optionee's country, if any. Moreover, if Optionee relocates to another country during the life of the NQSO, the special terms and conditions for such country will apply to Optionee to the extent the Company determines in its sole discretion that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

17. This Agreement has been made in and shall be construed under and in accordance with the laws of the Commonwealth of Pennsylvania in the United States of America, without regard to the conflict of laws provisions, as provided in the Plan.

For purposes of any dispute, action or other proceeding that arises under or relates to this NQSO or this Agreement, the parties (including Optionee's Beneficiary or Transferee) hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Pennsylvania in the United States of America, and agree that such litigation shall be conducted only in the courts of Montgomery County in the Commonwealth of Pennsylvania in the United States of America, or the federal courts of the United States of America for the Eastern District of Pennsylvania, where this grant is made and/or to be performed, and no other courts.

18. The Company reserves the right to impose other requirements on Optionee's participation in the Plan, on the NQSO and/or on any shares of Stock acquired under the Plan, to the extent the Company determines in its sole discretion that it is necessary or advisable (including, but not limited to, legal or administrative reasons), and to require Optionee to sign and/or accept electronically, at the sole discretion of the Company, any additional agreements or undertakings that may be necessary to accomplish the foregoing as determined by the Company in its sole discretion.

19. Notwithstanding any other provision of the Plan or this Agreement to the contrary, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Stock, the Company shall not be required to deliver any shares of Stock issuable upon exercise of the NQSO prior to the completion of any registration or qualification of the shares of Stock under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its sole discretion, deem necessary or advisable. Optionee understands that the Company is under no obligation to register or qualify the shares of Stock with the SEC or any local, state, federal or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares of Stock. Further, Optionee agrees that the Committee or its designee shall have unilateral authority to amend the Plan and the Agreement without Optionee's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares of Stock.

20. Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Optionee or any other optionee.

21. Optionee acknowledges that, depending on Optionee's country, Optionee may be subject to insider trading restrictions and/or market abuse laws, which may affect Optionee's ability to acquire or sell shares of Stock or rights to shares of Stock (e.g., NQSOs) under the Plan during such times as Optionee is considered to have "inside information" regarding the Company (as defined by the laws in Optionee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Optionee acknowledges that it is Optionee's responsibility to comply with any applicable restrictions, and Optionee is advised to consult with Optionee's own personal legal and financial advisors on this matter before taking any action related to the Plan.

22. To the extent applicable, references to Optionee shall include Optionee's Beneficiary in the case of Optionee's death during or after Optionee's Termination of Employment as provided in Sections 6(c) and 6(d) of the Plan and Optionee's Transferee under paragraph 4.1.

UNISYS CORPORATION
J. Edward Coleman
Chairman and Chief Executive Officer

ONLINE ACCEPTANCE ACKNOWLEDGMENT:

I hereby **accept** my 2014 nonqualified stock option ("NQSO") granted to me in accordance with and subject to the terms of this agreement (together with any applicable country-specific terms and provisions set forth in the addendum and any attachments to the addendum (collectively, the "Addendum"), the "Agreement") and the terms and restrictions of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan. I acknowledge that I have read and understand the terms of this Agreement, and that I am familiar with and understand the terms of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan, and that I agree to be bound thereby and by the actions of the Compensation Committee and of the Board of Directors of Unisys Corporation with respect thereto. I acknowledge that this Agreement and other NQSO materials were delivered or made available to me electronically and I hereby consent to the delivery of my NQSO materials, and any future materials relating to my NQSO, in such form. I also acknowledge that I am accepting my NQSO electronically and that such acceptance has the same force and effect as if I had signed and returned to Unisys Corporation a hard copy of the Agreement noting that I had accepted the NQSO. I acknowledge that I have been encouraged to discuss this matter with my financial, legal and tax advisors and that this acceptance is made knowingly.

OR

ONLINE REJECTION ACKNOWLEDGMENT:

I hereby **reject** my 2014 nonqualified stock option ("NQSO") granted to me in accordance with and subject to the terms of this agreement (together with any applicable country-specific terms and provisions set forth in the addendum and any attachments to the addendum (collectively, the "Addendum"), the "Agreement") and the terms and restrictions of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan. I acknowledge that I have read and understand the terms of this Agreement, and that I am familiar with and understand the terms of the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan. I acknowledge that this Agreement and other NQSO materials were delivered or made available to me electronically and I hereby consent to the delivery of my NQSO materials, and any future materials relating to my NQSO, in such form. I also acknowledge that I am rejecting my NQSO electronically and that such rejection has the same force and effect as if I had signed and returned to Unisys Corporation a hard copy of the Agreement noting that I had rejected the NQSO. I acknowledge that I have been encouraged to discuss this matter with my financial, legal and tax advisors and that this rejection is made knowingly. I further acknowledge that by rejecting the NQSO, I will not be entitled to any payment or benefit in lieu of the NQSO.

Exhibit 10.25

E XECUTIVE S UPPLEMENTAL B ENEFITS

Annual Physical Examination

Unisys offers elected officers an opportunity to participate in the annual physical examination program through the Impact Medical Group. This benefit provides comprehensive health screening and risk reduction services tailored to elected officers' needs and schedule at no cost to them. Alternatively, if any elected officer chooses not to participate in the program, such officer is eligible to obtain an annual company-paid physical examination from such officer's personal physician. Amounts paid on an elected officer's behalf may be treated as imputed income.

Executive Death Benefit Only Program

Subject to underwriting approvals and applicable corporate governance requirements, officers elected prior to February 2015 are eligible for death benefits under the Executive Death Benefit Only Program. During active employment, the program provides a death benefit equal to 4 times an elected officer's base salary plus target bonus under the Executive Variable Compensation Plan. At retirement, if a retired elected officer remains eligible per the program plan, the program provides a death benefit equal to 2.5 times such former officer's base salary immediately prior to retirement. Unisys increases the benefit payable to an elected officer's beneficiary to cover any income and employment taxes due.

Financial Counseling – Tax Preparation Services

Unisys pays for financial counseling services, including investment planning, estate planning, and/or tax preparation, up to an annual limit.

Elected officers pay for the services, and Unisys will reimburse each of them up to their annual limit.

Role	**Annual Maximum**
CEO	$ 7,500
Senior Vice President	$ 5,000
Elected Officer VP	$ 4,000

Elected officers may use any service provider except for the Unisys corporate auditor (currently KPMG). Amounts reimbursed under this program are treated as imputed income.

Spousal Travel

Spouses may travel with executives on business trips *only when spousal attendance is required*. Expenses for spousal travel are treated as imputed income.

Please note: This communication describes in a summary fashion or refers to certain Unisys benefit and compensation plans and programs, without going into all of the details. The provisions of the applicable plan/program documents solely determine the legal rights and obligations of any person. In the event of any discrepancy between these communications and the official plan/program documents, the applicable plan/program documents (including any amendments), as interpreted by the plan/program administrator, in his/her/its sole discretion, will always govern. Unisys reserves the right to amend or terminate any or all of its benefit and compensation plans, in whole or in part, at any time and for any reason without prior notice or consent, to the extent permissible under applicable law.

Exhibit 12

UNISYS CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS (UNAUDITED)
($ in millions)

	Years Ended December 31				
	2014	2013	2012	2011	2010
Fixed charges					
Interest expense	$ 9.2	$ 9.9	$ 27.5	$ 63.1	$ 101.8
Interest capitalized during the period	4.0	3.2	5.3	4.9	9.1
Amortization of debt issuance expenses	1.6	1.6	1.7	1.9	2.6
Portion of rental expense representative of interest	27.9	28.4	28.2	32.6	33.5
Total Fixed Charges	42.7	43.1	62.7	102.5	147.0
Preferred stock dividend requirements (a)	2.7	16.2	16.2	13.5	—
Total fixed charges and preferred stock dividends	45.4	59.3	78.9	116.0	147.0
Earnings					
Income (loss) from continuing operations before income taxes	145.5	219.4	254.1	206.0	222.9
Add amortization of capitalized interest	4.5	5.0	7.5	7.4	9.1
Subtotal	150.0	224.4	261.6	213.4	232.0
Fixed charges per above	42.7	43.1	62.7	102.5	147.0
Less interest capitalized during the period	(4.0)	(3.2)	(5.3)	(4.9)	(9.1)
Total earnings	$ 188.7	$ 264.3	$ 319.0	$ 311.0	$ 369.9
Ratio of earnings to fixed charges	4.42	6.13	5.09	3.03	2.52
Ratio of earnings to fixed charges and preferred stock dividends (b)	4.16	4.46	4.04	2.68	2.52

(a) Amounts have not been grossed up for income taxes since the preferred stock was issued by the U.S. parent corporation which has a full valuation allowance against its net deferred tax assets.

(b) The ratio of earnings to fixed charges and preferred stock dividends is calculated by dividing total earnings by total fixed charges and preferred stock dividends.

Unisys Corporation

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The company's revenue in 2014 declined 3% to $3.36 billion compared to $3.46 billion in 2013. Foreign currency had a 1-percentage-point negative impact thereby causing 1% of the revenue decline in 2014 compared to 2013. Lower services revenue, particularly lower infrastructure services revenue, contributed to the year over year decline. Income in 2014 was impacted by lower revenue, lower services gross margins and higher investments in new technology offerings. The company reported 2014 net income attributable to Unisys Corporation common shareholders of $44.0 million, or $.89 per diluted share, which included $73.8 million of pretax pension expense. This compared with 2013 net income attributable to Unisys Corporation common shareholders of $92.3 million, or $2.08 per diluted share, which included $93.5 million in pretax pension expense.

The company's underfunded defined benefit pension plan obligations increased by approximately $750 million to $2.2 billion at December 31, 2014 from $1.5 billion at December 31, 2013, principally due to a decrease in discount rates. This increase in the unfunded position was the principal reason the company's deficit increased by approximately $788 million from $664 million at December 31, 2013 to $1,452 million at December 31, 2014.

During 2014, the company reported net cash from operating activities of $121.4 million and ended the year with $494.3 million in cash and $224.0 million in debt.

Results of operations

Company results

Revenue for 2014 was $3.36 billion compared with 2013 revenue of $3.46 billion, a decrease of 3%. Foreign currency had a 1-percentage-point negative impact on revenue in 2014 compared with 2013.

Services revenue in 2014 decreased by 4% compared with 2013. Technology revenue in 2014 increased by 2% compared with 2013.

Revenue for 2013 was $3.46 billion compared with 2012 revenue of $3.71 billion, a decrease of 7%. Foreign currency had a 1-percentage-point negative impact on revenue in 2013 compared with 2012.

Revenue from international operations in 2014, 2013 and 2012 was $1.98 billion, $2.09 billion and $2.25 billion, respectively. Foreign currency had a 1-percentage-point negative impact on international revenue in 2014 compared with 2013, and a 1-percentage-point negative impact on international revenue in 2013 compared with 2012. Revenue from U.S. operations was $1.38 billion in 2014, $1.37 billion in 2013 and $1.46 billion in 2012.

Gross profit percent was 23.2% in 2014, 24.5% in 2013 and 26.3% in 2012. The decline in 2014 from 2013 was primarily attributable to lower Services margins during 2014 as the company faced lower revenue and delivery issues on some projects. The change in 2013 from 2012 principally reflects the relative mix of high-end enterprise server sales.

Selling, general and administrative expenses were $554.1 million in 2014 (16.5% of revenue), $559.4 million in 2013 (16.2% of revenue) and $572.8 million in 2012 (15.5% of revenue). In 2012, a gain of $10.6 million related to the sale of a subsidiary was recorded as a reduction of selling, general and administrative expense (see Note 15 of the Notes to Consolidated Financial Statements).

Research and development (R&D) expenses in 2014 were $68.8 million compared with $69.5 million in 2013 and $81.5 million in 2012.

In 2014, the company reported an operating profit of $154.9 million compared with $219.5 million in 2013 and $319.2 million in 2012.

Pension expense for 2014 was $73.8 million compared with $93.5 million in 2013 and $108.2 million in 2012. For 2015, the company expects to recognize pension expense of approximately $111.8 million. The expected increase in pension expense in 2015 compared with 2014 is principally due to higher amortization of net actuarial losses. The company records pension income or expense, as well as other employee-related costs such as payroll taxes and medical insurance costs, in operating income in the following income statement categories: cost of revenue; selling, general and administrative expenses; and research and development expenses. The amount allocated to each category is based on where the salaries of active employees are charged.

Interest expense was $9.2 million in 2014, $9.9 million in 2013 and $27.5 million in 2012. The decline from 2012 was due to the company's debt reduction actions.

Other income (expense), net was expense of $.2 million in 2014, compared with income of $9.8 million 2013 and expense of $37.6 million in 2012. Included in 2014 were foreign exchange losses of $7.0 million. Included in 2013 were foreign exchange gains of $10.4 million. Included in 2012 were charges of $30.6 million related to the debt reductions and foreign exchange losses of $8.1 million offset in part by interest income of $10.3 million.

Income before income taxes in 2014 was $145.5 million compared with $219.4 million in 2013 and $254.1 million in 2012.

The provision for income taxes in 2014, 2013 and 2012 was $86.2 million, $99.3 million and $97.3 million, respectively. The 2013 and 2012 income tax provisions include charges of $11.4 million and $9.2 million, respectively, due to reductions in the UK income tax rate (see Note 6 of the Notes to Consolidated Financial Statements). The 2012 income tax provision also includes a $5.6 million benefit related to a UK tax credit.

The company evaluates quarterly the realizability of its deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary. The company will record a tax provision or benefit for those international subsidiaries that do not have a full valuation allowance against their deferred tax assets. Any profit or loss recorded for the company's U.S. operations will have no provision or benefit associated with it due to its full valuation allowance, except with respect to refundable tax credits and withholding taxes not creditable against future taxable income. As a result, the company's provision or benefit for taxes may vary significantly period to period depending on the geographic distribution of income.

The realization of the company's net deferred tax assets as of December 31, 2014 is primarily dependent on forecasted future taxable income within certain foreign jurisdictions. Any reduction in estimated forecasted future taxable income may require the company to record an additional valuation allowance against the remaining deferred tax assets. Any increase or decrease in the valuation allowance would result in additional or lower income tax expense in such period and could have a significant impact on that period's earnings.

Net income attributable to Unisys Corporation common shareholders for 2014 was $44.0 million, or $.89 per diluted common share, compared with income of $92.3 million, or $2.08 per diluted common share, in 2013 and income of $129.4 million, or $2.84 per diluted common share, in 2012.

Due to inflation rates in recent years, the company's Venezuelan subsidiary has applied highly inflationary accounting beginning January 1, 2010. For those international subsidiaries operating in highly inflationary economies, the U.S. dollar is the functional currency, and as such, nonmonetary assets and liabilities are translated at historical exchange rates, and monetary assets and liabilities are translated at current exchange rates. Exchange gains and losses arising from translation are included in other income (expense), net. Effective February 13, 2013, the Venezuelan government devalued its currency, the bolivar, by resetting the official exchange rate from 4.30 to the U.S. dollar to 6.30 to the U.S. dollar. As a result, the company recorded a pretax foreign exchange loss in 2013 of $6.5 million.

In January of 2014, the Venezuelan government announced that the exchange rate to be applied to the settlement of certain transactions, including foreign investments and royalties, would be changed to the Complementary System of Foreign Currency Administration (SICAD I) auction rate. As a result, the company changed the exchange rate used to remeasure its Venezuelan subsidiary's financial statements in U.S. dollars from the official rate of 6.3 bolivars to the new SICAD I rate. At December 31, 2014, the SICAD I exchange rate used was 12.0 bolivars to the U.S. dollar. The change in the rate resulted in the company recording a pretax foreign exchange loss in 2014 of $7.4 million. The company believes that using the SICAD I exchange rate is economically representative of what it might expect to receive in a dividend transaction.

At December 31, 2014, the company's operations in Venezuela had net monetary assets denominated in local currency equivalent to approximately $8 million. As indicated above, the SICAD I exchange rate is determined by periodic auctions and, therefore, the potential exists for it to change significantly in future quarters. Additionally, the Venezuelan government may make further changes or introduce new exchange rate mechanisms, which could result in further changes in the exchange rate used by the company to remeasure its Venezuelan subsidiary's financial statements in U.S. dollars.

Segment results

The company has two business segments: Services and Technology. The products and services of each segment are marketed throughout the world to commercial businesses and governments. Revenue classifications by segment are as follows: Services – systems integration and consulting, outsourcing, infrastructure services and core maintenance; Technology – enterprise-class software and servers and other technology.

The accounting policies of each business segment are the same as those described in the summary of significant accounting policies. Intersegment sales and transfers are priced as if the sales or transfers were to third parties. Accordingly, the Technology segment recognizes intersegment revenue and manufacturing profit on hardware and software shipments to customers under Services contracts. The Services segment, in turn, recognizes customer revenue and marketing profit on such shipments of company hardware and software to customers. The Services segment also includes hardware and software products sourced from third parties that are sold to customers through the company's Services channels. In the company's consolidated statements of income, the manufacturing costs of products sourced from the Technology segment and sold to Services customers are reported in cost of revenue for Services.

Also included in the Technology segment's sales and operating profit are sales of hardware and software sold to the Services segment for internal use in Services engagements. The amount of such profit included in operating income of the Technology segment for the years ended December 31, 2014, 2013 and 2012, was $17.0 million, $6.0 million and $11.5 million, respectively. The profit on these transactions is eliminated in Corporate.

The company evaluates business segment performance based on operating income exclusive of pension income or expense, restructuring charges and unusual and nonrecurring items, which are included in Corporate. All other corporate and centrally incurred costs are allocated to the business segments based principally on revenue, employees, square footage or usage. See Note 14 of the Notes to Consolidated Financial Statements.

Information by business segment for 2014, 2013 and 2012 is presented below:

(millions of dollars)	Total	Eliminations	Services	Technology
2014				
Customer revenue	$ 3,356.4		$ 2,887.7	$ 468.7
Intersegment		$ (112.3)	.4	111.9
Total revenue	$ 3,356.4	$ (112.3)	$ 2,888.1	$ 580.6
Gross profit percent	23.2%		17.5%	56.3%
Operating income percent	4.6%		4.2%	19.1%
2013				
Customer revenue	$ 3,456.5		$ 2,996.1	$ 460.4
Intersegment		$ (122.5)	1.7	120.8
Total revenue	$ 3,456.5	$ (122.5)	$ 2,997.8	$ 581.2
Gross profit percent	24.5%		19.7%	53.9%
Operating income percent	6.4%		6.2%	21.1%
2012				
Customer revenue	$ 3,706.4		$ 3,192.4	$ 514.0
Intersegment		$ (123.1)	3.8	119.3
Total revenue	$ 3,706.4	$ (123.1)	$ 3,196.2	$ 633.3
Gross profit percent	26.3%		20.0%	63.9%
Operating income percent	8.6%		6.4%	33.1%

Gross profit percent and operating income percent are as a percent of total revenue.

Customer revenue by classes of similar products or services, by segment, for 2014, 2013 and 2012 is presented below:

Year ended December 31 (millions)	2014	2013	Percent Change	2012	Percent Change
Services					
Systems integration and consulting	**$ 942.8**	$ 956.9	(1.5)%	$ 1,079.3	(11.3)%
Outsourcing	**1,412.7**	1,428.7	(1.1)%	1,475.5	(3.2)%
Infrastructure services	**347.4**	428.1	(18.9)%	442.4	(3.2)%
Core maintenance	**184.8**	182.4	1.3%	195.2	(6.6)%
	2,887.7	2,996.1	(3.6)%	3,192.4	(6.1)%
Technology					
Enterprise-class software and servers	**429.0**	402.7	6.5%	480.3	(16.2)%
Other technology	**39.7**	57.7	(31.2)%	33.7	71.2%
	468.7	460.4	1.8%	514.0	(10.4)%
Total	**$ 3,356.4**	$ 3,456.5	(2.9)%	$ 3,706.4	(6.7)%

In the Services segment, customer revenue was $2.89 billion in 2014, $3.00 billion in 2013 and $3.19 billion in 2012. The decline in 2014 was principally due to infrastructure services. The decline in 2013 was principally due to soft demand in systems integration and consulting. Foreign currency had about a 1-percentage-point negative impact on Services revenue in 2014 compared with 2013, and a 1-percentage-point negative impact in 2013 compared with 2012.

Revenue from systems integration and consulting decreased 1.5% in 2014 compared with 2013, and 2013 revenue declined 11.3% compared with 2012. The decline in 2014 was due to lower demand for project-based services and solutions. The decline in 2013 was due to lower demand for project-based services and solutions, particularly public sector in-period sell and bill revenue.

Outsourcing revenue declined 1.1% in 2014 compared with 2013. In 2013, outsourcing revenue declined 3.2% compared with 2012.

Infrastructure services revenue decreased 18.9% in 2014 compared with 2013 and decreased 3.2% in 2013 compared with 2012. The decline in 2014 compared with 2013 reflects lower volumes on some existing contracts and the conclusion of other contracts that the company did not renew.

Core maintenance revenue increased 1.3% in 2014 compared with 2013. Core maintenance revenue declined 6.6% in 2013 compared with 2012.

Services gross profit percent was 17.5% in 2014, 19.7% in 2013 and 20.0% in 2012. Services operating income percent was 4.2% in 2014 compared with 6.2% in 2013 and 6.4% in 2012. The decline in 2014 from 2013 reflects lower revenue and some delivery challenges on a few projects.

In the Technology segment, customer revenue increased 1.8% in 2014 compared with 2013, and 2013 revenue decreased 10.4% compared with 2012. Foreign currency translations had a 1-percentage-point negative impact in 2014 compared with 2013 and a negligible impact on Technology revenue in 2013 compared with 2012.

Revenue from the company's enterprise-class software and servers increased 6.5% in 2014 compared with 2013 and decreased 16.2% in 2013 compared with 2012. The increase or decrease in revenue from enterprise-class software and servers revenue in the respective years was due to either an increase or decrease in revenue from the company's ClearPath product revenue.

Revenue from other technology (which is principally sales of third-party equipment) decreased $18.0 million in 2014 compared with 2013 and increased $24.0 million in 2013 compared with 2012.

Technology gross profit percent was 56.3% in 2014, 53.9% in 2013 and 63.9% in 2012. Technology operating income percent was 19.1% in 2014 compared with 21.1% in 2013 and 33.1% in 2012. The changes were due to the relative mix of ClearPath sales as well as increased investments in new offerings in 2014.

New accounting pronouncements

See Note 4 of the Notes to Consolidated Financial Statements for a full description of recent accounting pronouncements, including the expected dates of adoption and estimated effects on the company's consolidated financial statements.

Financial condition

The company's principal sources of liquidity are cash on hand, cash from operations and its revolving credit facility, discussed below. The company and certain international subsidiaries have access to uncommitted lines of credit from various banks. The company believes that it will have adequate sources of liquidity to meet its expected 2015 cash requirements.

Cash and cash equivalents at December 31, 2014 were $494.3 million compared with $639.8 million at December 31, 2013.

As of December 31, 2014, $316.4 million of cash and cash equivalents were held by the company's foreign subsidiaries and branches operating outside of the U.S. In the future, if these funds are needed for the company's operations in the U.S., the company may be required to accrue and pay taxes to repatriate these funds. See Note 6 of the Notes to Consolidated Financial Statements regarding the company's intention to indefinitely reinvest earnings of foreign subsidiaries.

During 2014, cash provided by operations was $121.4 million compared with $187.4 million in 2013. Cash provided by operations during 2014 was negatively impacted by lower income and an increase in cash contributions to the company's defined benefit pension plans. During 2014, the company contributed cash of $183.4 million to its defined benefit pension plans, which included $79.6 million to its U.S. qualified defined benefit pension plan, compared with $147.2 million, which included $33.8 million to its U.S. qualified defined benefit pension plan during 2013.

Cash used for investing activities in 2014 was $195.3 million compared with cash used of $162.7 million in 2013. Net proceeds of investments in 2014 were $13.7 million compared with net purchases of $9.9 million in 2013. Proceeds from investments and purchases of investments represent derivative financial instruments used to manage the company's currency exposure to market risks from changes in foreign currency exchange rates. In addition, the investment in marketable software was $73.6 million in 2014 compared with $64.3 million in 2013, capital additions of properties were $53.3 million in 2014 compared with $47.2 million in 2013 and capital additions of outsourcing assets were $85.9 million in 2014 compared with $39.9 million in 2013. The higher capital expenditures largely reflected increased investments in outsourcing assets within the company's IT outsourcing business as the company won a number of new contracts, increased investments in new products, as well as expenditures on automation tools and leasehold improvements that support further consolidation of the company's real estate.

Cash used for financing activities during 2014 was $36.9 million compared with cash used of $23.0 million in 2013. Cash used for common stock repurchases was $35.7 million and $11.7 million in 2014 and 2013, respectively.

On March 1, 2014, all of the outstanding shares of 6.25% mandatory convertible preferred stock (2,587,400 shares) were automatically converted (in accordance with its terms) into 6,912,756 shares of the company’s common stock. Because March 1, 2014 was not a business day, the mandatory conversion was effected on Monday, March 3, 2014.

The company has a secured revolving credit facility, expiring in June 2018, which provides for loans and letters of credit up to an aggregate amount of $150 million (with a limit on letters of credit of $100 million). Borrowing limits under the credit agreement are based upon the amount of eligible U.S. accounts receivable. At December 31, 2014, the company had no borrowings and $18.8 million of letters of credit outstanding under the facility. At December 31, 2014, availability under the facility was $100.0 million net of letters of credit issued. Borrowings under the facility will bear interest based on short-term rates. The credit agreement contains customary representations and warranties, including that there has been no material adverse change in the company’s business, properties, operations or financial condition. The company is required to maintain a minimum fixed charge coverage ratio if the company’s availability under the credit facility falls below the greater of 12.5% of the lenders’ commitments under the facility and $18.75 million. The credit agreement allows the company to pay dividends on its capital stock in an amount up to $22.5 million per year unless the company is in default and to, among other things, repurchase its equity, prepay other debt, incur other debt or liens, dispose of assets and make acquisitions, loans and investments, provided the company complies with certain requirements and limitations set forth in the agreement. Events of default include non-payment, failure to comply with covenants, materially incorrect representations and warranties, change of control and default under other debt aggregating at least $50 million. The credit facility is guaranteed by Unisys Holding Corporation, Unisys NPL, Inc., Unisys AP Investment Company I and any future material domestic subsidiaries. The facility is secured by the assets of Unisys Corporation and the subsidiary guarantors, other than certain excluded assets. The company may elect to prepay or terminate the credit facility without penalty.

At December 31, 2014, the company has met all covenants and conditions under its various lending agreements. The company expects to continue to meet these covenants and conditions.

At December 31, 2014, the company had outstanding standby letters of credit and surety bonds totaling approximately $343 million related to performance and payment guarantees. On the basis of experience with these arrangements, the company believes that any obligations that may arise will not be material.

As described more fully in Notes 8 and 10 of the Notes to Consolidated Financial Statements, at December 31, 2014, the company had certain cash obligations, which are due as follows:

(millions of dollars)	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt	$ 224.0	$ 1.8	$ 215.3	$ 3.7	$ 3.2
Interest payments on long-term debt	40.9	13.6	26.9	.3	.1
Operating leases	225.1	58.2	86.1	46.5	34.3
Total	$ 490.0	$ 73.6	$ 328.3	$ 50.5	$ 37.6

As described in Note 16 of the Notes to Consolidated Financial Statements, in 2015, the company expects to make cash contributions to its worldwide defined benefit pension plans of approximately $128.8 million, which is comprised of $76.2 million primarily for non-U.S. defined benefit pension plans and $52.6 million for the company’s U.S. qualified defined benefit pension plan.

The company has on file with the Securities and Exchange Commission an effective registration statement, expiring in June of 2015, covering debt or equity securities, which enables the company to be prepared for future market opportunities.

The company may, from time to time, redeem, tender for, or repurchase its securities in the open market or in privately negotiated transactions depending upon availability, market conditions and other factors.

On December 10, 2012, the company announced that its Board of Directors had authorized the company to purchase up to an aggregate of $50 million of the company’s common stock and mandatory convertible preferred stock through December 31, 2014. Through December 31, 2014, the company repurchased an aggregate of 2.2 million shares of common stock for approximately $47.3 million. At December 31, 2014, the Board’s repurchase authorization expired.

Market risk

The company has exposure to interest rate risk from its short-term and long-term debt. In general, the company’s long-term debt is fixed rate and, to the extent it has any, its short-term debt is variable rate. See Note 8 of the Notes to Consolidated Financial Statements for components of the company’s long-term debt. The company believes that the market risk assuming a hypothetical 10% increase in interest rates would not be material to the fair value of these financial instruments, or the related cash flows, or future results of operations.

The company is also exposed to foreign currency exchange rate risks. The company is a net receiver of currencies other than the U.S. dollar and, as such, can benefit from a weaker dollar, and can be adversely affected by a stronger dollar relative to currencies worldwide. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. dollar, may adversely affect consolidated revenue and operating margins as expressed in U.S. dollars. Currency exposure gains and losses are mitigated by purchasing components and incurring expenses in local currencies.

In addition, the company uses derivative financial instruments, primarily foreign exchange forward contracts, to reduce its exposure to market risks from changes in foreign currency exchange rates on intercompany balances. See Note 11 of the Notes to Consolidated Financial Statements for additional information on the company’s derivative financial instruments.

The company has performed a sensitivity analysis assuming a hypothetical 10% adverse movement in foreign currency exchange rates applied to these derivative financial instruments described above. As of December 31, 2014 and 2013, the analysis indicated that such market movements would have reduced the estimated fair value of these derivative financial instruments by approximately $39 million and $48 million, respectively. Based on changes in the timing and amount of interest rate and foreign currency exchange rate movements and the company’s actual exposures and hedges, actual gains and losses in the future may differ from the above analysis.

Critical accounting policies

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and accompanying notes. Certain accounting policies, methods and estimates are particularly important because of their significance to the financial statements and because of the possibility that future events affecting them may differ from management’s current judgments. The company bases its estimates and judgments on historical experience and on other assumptions that it believes are reasonable under the circumstances; however, to the extent there are material differences between these estimates, judgments and assumptions and actual results, the financial statements will be affected. Although there are a number of accounting policies, methods and estimates affecting the company's financial statements as described in Note 1 of the Notes to Consolidated Financial Statements, the following critical accounting policies reflect the significant estimates, judgments and assumptions. The development and selection of these critical accounting policies have been determined by management of the company and the related disclosures have been reviewed with the Audit and Finance Committee of the Board of Directors.

Outsourcing

Typically, the initial terms of the company's outsourcing contracts are between 5 and 10 years. Revenue under these contracts is recognized when the company performs the services or processes transactions in accordance with contractual performance standards. Customer prepayments (even if nonrefundable) are deferred (classified as a liability) and recognized systematically as revenue over the initial contract term.

Costs on outsourcing contracts are charged to expense as incurred. However, direct costs incurred related to the inception of an outsourcing contract (principally initial customer setup) are deferred and charged to expense over the initial contract term. In addition, the costs of equipment and software, some of which are internally developed, are capitalized and depreciated over the shorter of their life or the initial contract term.

Recoverability of outsourcing assets is subject to various business risks. Quarterly, the company compares the carrying value of the outsourcing assets with the undiscounted future cash flows expected to be generated by the outsourcing assets to determine if the assets are impaired. If impaired, the outsourcing assets are reduced to an estimated fair value on a discounted cash flow approach. The company prepares its cash flow estimates based on assumptions that it believes to be reasonable but are also inherently uncertain. Actual future cash flows could differ from these estimates.

Revenue recognition

The majority of the company's sales agreements contain standard business terms and conditions; however, some agreements contain multiple elements or non-standard terms and conditions. As discussed in Note 1 of the Notes to Consolidated Financial Statements, the company enters into multiple-element arrangements, which may include any combination of hardware, software or services. As a result, significant contract interpretation is sometimes required to determine the appropriate accounting, including whether the deliverables specified in a multiple-element arrangement should be treated as separate units of accounting for revenue recognition purposes, and, if so, how the price should be allocated among the elements and when to recognize revenue for each element. The company recognizes revenue on delivered elements only if: (a) any undelivered products or services are not essential to the functionality of the delivered products or services, (b) the company has an enforceable claim to receive the amount due in the event it does not deliver the undelivered products or services, (c) there is evidence of the selling price for each undelivered product or service, and (d) the revenue recognition criteria otherwise have been met for the delivered elements. Otherwise, revenue on delivered elements is recognized as the undelivered elements are delivered. For arrangements with multiple elements involving the licensing or sale of software and software-related elements, the allocation of revenue is based on vendor-specific objective evidence (VSOE), which is based upon normal pricing and discounting practices for those products and services when sold separately. The company's continued ability to determine VSOE of fair value will depend on continued sufficient volumes and sufficient consistent pricing of stand-alone sales of such undelivered elements. In addition, the company's revenue recognition policy states that revenue is not recognized until collectability is deemed probable. Changes in judgments on these assumptions and estimates could materially impact the timing of revenue recognition.

For long-term fixed price systems integration contracts, the company recognizes revenue and profit as the contracts progress using the percentage-of-completion method of accounting, which relies on estimates of total expected contract revenues and costs. The company follows this method because reasonably dependable estimates of the revenue and costs applicable to various elements of a contract can be made. The financial reporting of these contracts depends on estimates, which are assessed continually during the term of the contracts and therefore, recognized revenues and profit are subject to revisions as the contract progresses to completion. Revisions in profit estimates are reflected in the period in which the facts that give rise to the revision become known. Accordingly, favorable changes in estimates result in additional revenue and profit recognition, and unfavorable changes in estimates result in a reduction of recognized revenue and profit. When estimates indicate that a loss will be incurred on a contract upon completion, a provision for the expected loss is recorded in the period in which the loss becomes evident. As work progresses under a loss contract, revenue continues to be recognized, and a portion of the contract costs incurred in each period is charged to the contract loss reserve. For other systems integration projects, the company recognizes revenue when the services have been performed.

In addition to outright sales, the company sells hardware under bundled lease arrangements which typically include hardware, services and a financing component. Recognizing revenue under these arrangements requires the company to allocate the total consideration received to the lease and non-lease deliverables included in the bundled arrangement, based upon the estimated fair values of each element.

Income Taxes

Accounting rules governing income taxes require that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities. These rules also require that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or the entire deferred tax asset will not be realized.

At December 31, 2014 and 2013, the company had deferred tax assets in excess of deferred tax liabilities of $2,244.1 million and $2,112.7 million, respectively. For the reasons cited below, at December 31, 2014 and 2013, management determined that it is more likely than not that $136.3 million and $113.9 million, respectively, of such assets will be realized, resulting in a valuation allowance of $2,107.8 million and $1,998.8 million, respectively.

The company evaluates the realizability of its deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization are the company's historical profitability, forecast of future taxable income and available tax-planning strategies that could be implemented to realize the net deferred tax assets. The company uses tax-planning strategies to realize or renew net deferred tax assets to avoid the potential loss of future tax benefits.

Failure to achieve forecasted taxable income might affect the ultimate realization of the net deferred tax assets. Factors that may affect the company's ability to achieve sufficient forecasted taxable income include, but are not limited to, the following: increased competition, a decline in sales or margins, loss of market share, delays in product availability or technological obsolescence. See "Factors that may affect future results."

Internal Revenue Code Sections 382 and 383 provide annual limitations with respect to the ability of a corporation to utilize its net operating loss (as well as certain built-in losses) and tax credit carryforwards, respectively (Tax Attributes), against future U.S. taxable income, if the corporation experiences an "ownership change." In general terms, an ownership change may result from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50 percentage points over a three-year period. The company regularly monitors ownership changes (as calculated for purposes of Section 382). The company has determined that, for purposes of the rules of Section 382 described above, an ownership change occurred in February 2011. Any future transaction or transactions and the timing of such transaction or transactions could trigger additional ownership changes under Section 382.

As a result of the ownership change, utilization of the company's Tax Attributes will be subject to an overall annual limitation of $70.6 million. This limitation will be applied first to any recognized built in losses, then to any net operating losses, and then to any other Tax Attributes. Any unused limitation may be carried over to later years. As of December 31, 2013, due to the ownership change in 2011, the Section 382 limitation and accompanying built in losses caused the company to reduce its deferred tax assets and related valuation allowance by $389.6 million. Based on presently available information and the existence of tax planning strategies, the company does not expect to incur a U.S. cash tax liability in the near term. The company maintains a full valuation allowance against the realization of all U.S. deferred tax assets as well as certain foreign deferred tax assets in excess of deferred tax liabilities. See Note 6 of the Notes to Consolidated Financial Statements.

The company's provision for income taxes and the determination of the resulting deferred tax assets and liabilities involve a significant amount of management judgment and are based on the best information available at the time. The company operates within federal, state and international taxing jurisdictions and is subject to audit in these jurisdictions. These audits can involve complex issues, which may require an extended period of time to resolve. As a result, the actual income tax liabilities in the jurisdictions with respect to any fiscal year are ultimately determined long after the financial statements have been published.

Accounting rules governing income taxes also prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The company maintains reserves for estimated tax exposures including penalties and interest. Income tax exposures include potential challenges of intercompany pricing and other tax matters. Exposures are settled primarily through the settlement of audits within these tax jurisdictions, but can also be affected by changes in applicable tax law or other factors, which could cause management of the company to believe a revision of past estimates is appropriate. Management believes that an appropriate liability has been established for estimated exposures; however, actual results may differ materially from these estimates. The liabilities are reviewed quarterly for their adequacy and appropriateness. See Note 6 of the Notes to Consolidated Financial Statements.

Pensions

Accounting rules governing defined benefit pension plans require that amounts recognized in financial statements be determined on an actuarial basis. The measurement of the company's pension obligations, costs and liabilities is dependent on a variety of assumptions selected by the company and used by the company's actuaries. These assumptions include estimates of the present value of projected future pension payments to plan participants, taking into consideration the likelihood of potential future events such as salary increases and demographic experience. The assumptions used in developing the required estimates include the following key factors: discount rates, salary growth, retirement rates, inflation, expected return on plan assets and mortality rates.

As permitted for purposes of computing pension expense, the company uses a calculated value of plan assets (which is further described below). This allows that the effects of the performance of the pension plan's assets on the company's computation of pension income or expense be amortized over future periods. A substantial portion of the company's pension plan assets relates to its qualified defined benefit plan in the United States.

A significant element in determining the company's pension income or expense is the expected long-term rate of return on plan assets. The company sets the expected long-term rate of return based on the expected long-term return of the various asset categories in which it invests. The company considers the current expectations for future returns and the actual historical returns of each asset class. Also, because the company's investment policy is to actively manage certain asset classes where the potential exists to outperform the broader market, the expected returns for those asset classes are adjusted to reflect the expected additional returns. For 2015 and 2014, the company has assumed that the expected long-term rate of return on U.S. plan assets will be 6.80% and 7.72%, respectively, and on the company's non-U.S. plan assets will be 6.45% for both years. A change of 25 basis points in the expected long-term rate of return for the company's U.S. and non-U.S. pension plans causes a change of approximately $9 million and $6 million, respectively, in pension expense. The assumed long-term rate of return on assets is applied to a calculated value of plan assets, which recognizes changes in the fair value of plan assets in a systematic manner over four years. This produces the expected return on plan assets that is included in pension income or expense. The difference between this expected return and the actual return on plan assets is deferred. The net deferral of past asset gains or losses affects the calculated value of plan assets and, ultimately, future pension income or expense. At December 31, 2014, for the company's U.S. qualified defined benefit pension plan, the calculated value of plan assets was $3.90 billion and the fair value was $4.07 billion.

At the end of each year, the company determines the discount rate to be used to calculate the present value of plan liabilities. The discount rate is an estimate of the current interest rate at which the pension liabilities could be effectively settled at the end of the year. In estimating this rate, the company looks to rates of return on high-quality, fixed-income investments that (a) receive one of the two highest ratings given by a recognized ratings agency and (b) are currently available and expected to be available during the period to maturity of the pension benefits. At December 31, 2014, the company determined this rate to be 4.09% for its U.S. defined benefit pension plans, a decrease of 93 basis points from the rate used at December 31, 2013, and 3.05% for the company's non-U.S. defined benefit pension plans, a decrease of 110 basis points from the rate used at December 31, 2013. A change of 25 basis points in the U.S. and non-U.S. discount rates causes a change in pension expense of approximately $1 million and $5 million, respectively, and a change of approximately $150 million and $146 million, respectively, in the benefit obligation. The net effect of changes in the discount rate, as well as the net effect of other changes in actuarial assumptions and experience, has been deferred, as permitted.

Gains and losses are defined as changes in the amount of either the projected benefit obligation or plan assets resulting from experience different from that assumed and from changes in assumptions. Because gains and losses may reflect refinements in estimates as well as real changes in economic values and because some gains in one period may be offset by losses in another and vice versa, the accounting rules do not require recognition of gains and losses as components of net pension cost of the period in which they arise.

At a minimum, amortization of an unrecognized net gain or loss must be included as a component of net pension cost for a year if, as of the beginning of the year, that unrecognized net gain or loss exceeds 10 percent of the greater of the projected benefit obligation or the calculated value of plan assets. If amortization is required, the minimum amortization is that excess above the 10 percent divided by the average remaining life expectancy of the plan participants. For the company's U.S. qualified defined benefit pension plan and the company's non-U.S. pension plans, that period is approximately 19 years for each. At December 31, 2014, the estimated unrecognized loss for the company's U.S. qualified defined benefit pension plan and the company's non-U.S. pension plans was $3.11 billion and $1.05 billion, respectively.

For the year ended December 31, 2014, the company recognized consolidated pension expense of $73.8 million, compared with $93.5 million for the year ended December 31, 2013. For 2015, the company expects to recognize pension expense of approximately $111.8 million. See Note 16 of the Notes to Consolidated Financial Statements.

Factors that may affect future results

From time to time, the company provides information containing "forward-looking" statements, as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations of future events and include any statement that does not directly relate to any historical or current fact. Words such as "anticipates," "believes," "expects," "intends," "plans," "projects" and similar expressions may identify such forward-looking statements. All forward-looking statements rely on assumptions and are subject to risks, uncertainties and other factors that could cause the company's actual results to differ materially from expectations. Factors that could affect future results include, but are not limited to, those discussed below. Any forward-looking statement speaks only as of the date on which that statement is made. The company assumes no obligation to update any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made.

Factors that could affect future results include the following:

The company's future results will depend upon its ability to effectively anticipate and respond to volatility and rapid technological innovation in its industry. The company operates in a highly volatile industry characterized by rapid technological innovation, evolving technology standards, short product life cycles and continually changing customer demand patterns. Future success will depend in part on the company's ability to anticipate and respond to these market trends and to design, develop, introduce, deliver or obtain new and innovative products, services and software on a timely and cost-effective basis using new delivery models such as cloud computing. The company may not be successful in anticipating or responding to changes in technology, industry standards or customer preferences, and the market may not demand or accept its services and product offerings. In addition, products and services developed by competitors may make the company's offerings less competitive.

Future results will also depend on the company's ability to maintain and grow its technology business. The company continues to invest in developing new high-end enterprise server products, cybersecurity software, cloud-based products and other offerings to meet client needs, including the *Forward!* by Unisys line of fabric servers and the Unisys Stealth family of cybersecurity software. Future results will depend on the company's ability to effectively market and sell these new products while maintaining its installed base for ClearPath and developing next-generation ClearPath products.

Future results will depend on the company's ability to drive profitable growth in consulting and systems integration. The company's ability to grow profitably in this business will depend on the level of demand for systems integration projects and the portfolio of solutions the company offers for specific industries. It will also depend on an efficient utilization of services delivery personnel. In addition, profit margins in this business are a function of both the portfolio of solutions sold in a given period and the rates the company is able to charge for services and the chargeability of its professionals. If the company is unable to attain sufficient rates and chargeability for its professionals, profit margins will be adversely affected. The rates the company is able to charge for services are affected by a number of factors, including clients' perception of the company's ability to add value through its services; introduction of new services or products by the company or its competitors; pricing policies of competitors; and general economic conditions. Chargeability is also affected by a number of factors, including the company's ability to transition employees from completed projects to new engagements, and its ability to forecast demand for services and thereby maintain an appropriate headcount.

The company's future results will depend on its ability to profitably grow its outsourcing business. The company's outsourcing contracts are multiyear engagements under which the company takes over management and support of a client's data center operations, end user devices, business processes or applications. System development activity on outsourcing contracts may require the company to make upfront investments. The company will need to have available sufficient financial resources in order to make these investments. Outsourcing contracts can be highly complex and can involve the design, development, implementation and operation of new solutions and the transitioning of clients from their existing processes to the new environment. Future results will depend on the company's ability to effectively and timely complete these implementations and transitions.

The company's future results will depend in part on its ability to attract, motivate and retain experienced and knowledgeable personnel in key positions. The success of the company's business is dependent upon its ability to employ and train individuals with the requisite knowledge, skills and experience to execute the company's business model and achieve its business objectives. The failure of the company to retain key personnel or implement an appropriate succession plan could adversely impact the company's ability to successfully carry out its business strategy and retain other key personnel.

The company faces aggressive competition in the information services and technology marketplace, which could lead to reduced demand for the company's products and services and could have an adverse effect on the company's business. The information services and technology markets in which the company operates include a large number of companies vying for customers and market share both domestically and internationally. The company's competitors include consulting and other professional services firms, systems integrators, outsourcing providers, infrastructure services providers, computer hardware manufacturers and software providers. Some of the company's competitors may develop competing products and services that offer better price-performance or that reach the market in advance of the company's offerings. Some competitors also have or may develop greater financial and other resources than the company, with enhanced ability to compete for market share, in some instances through significant economic incentives to secure contracts. Some also may be better able to compete for skilled professionals. Any of these factors could lead to reduced demand for the company's products and services and could have an adverse effect on the company's business. Future results will depend on the company's ability to mitigate the effects of aggressive competition on revenues, pricing and margins and on the company's ability to attract and retain talented people.

The company's future results will depend on its ability to retain significant clients. The company has a number of significant long-term contracts with clients, including governmental entities, and its future success will depend, in part, on retaining its relationships with these clients. The company could lose clients for such reasons as contract expiration, conversion to a competing service provider, disputes with clients or a decision to in-source services, including contracts with governmental entities as part of the rebid process. The company could also lose clients as a result of their merger, acquisition or business failure. The company may not be able to replace the revenue and earnings from any such lost client.

The company's contracts may not be as profitable as expected or provide the expected level of revenues. In a number of the company's long-term contracts for infrastructure services, outsourcing, help desk and similar services, the company's revenue is based on the volume of products and services provided. As a result, revenue levels anticipated at the contract's inception are not guaranteed. In addition, some of these contracts may permit termination at the customer's discretion before the end of the contract's term or may permit termination or impose other penalties if the company does not meet the performance levels specified in the contracts.

The company's contracts with governmental entities are subject to the availability of appropriated funds. These contracts also contain provisions allowing the governmental entity to terminate the contract at the governmental entity's discretion before the end of the contract's term. In addition, if the company's performance is unacceptable to the customer under a government contract, the government retains the right to pursue remedies under the affected contract, which remedies could include termination.

Certain of the company's outsourcing agreements require that the company's prices be benchmarked if the customer requests it and provide that those prices may be adjusted downward if the pricing for similar services in the market has changed. As a result, revenues anticipated at the beginning of the terms of these contracts may decline in the future.

Some of the company's systems integration contracts are fixed-price contracts under which the company assumes the risk for delivery of the contracted services and products at an agreed-upon fixed price. Should the company experience problems in performing fixed-price contracts on a profitable basis, adjustments to the estimated cost to complete may be required. Future results will depend on the company's ability to perform these services contracts profitably.

Cybersecurity breaches could result in the company incurring significant costs and could harm the company's business and reputation. The company's business includes managing, processing, storing and transmitting proprietary and confidential data, including personal information, intellectual property and proprietary business information, within the company's own IT systems and those that the company designs, develops, hosts or manages for clients. Cybersecurity breaches involving these systems by hackers, other third parties or the company's employees, despite established security controls, could disrupt these systems or result in the loss or corruption of data or the unauthorized disclosure or misuse of information of the company, its clients or others. This could result in litigation and legal liability for the company, lead to the loss of existing or potential clients and adversely affect the market's perception of the security and reliability of the company's products and services. In addition, such breaches could subject the company to fines and penalties for violations of laws and result in the company incurring other significant costs. This may negatively impact the company's reputation and financial results.

A significant disruption in the company's IT systems could adversely affect the company's business and reputation. We rely extensively on our IT systems to conduct our business and perform services for our clients. Our systems are subject to damage or interruption from power outages, telecommunications failures, computer viruses and malicious attacks, cybersecurity breaches and catastrophic events. If our systems are damaged or fail to function properly, we could incur substantial repair or replacement costs, experience data loss and impediments to our ability to conduct our business, and damage the market's perception of our products and services. In addition, a disruption could result in the company failing to meet performance standards and obligations in its client contracts, which could subject the company to liability, penalties and contract termination. This may adversely affect the company's reputation and financial results.

The company may face damage to its reputation or legal liability if its clients are not satisfied with its services or products. The success of the company's business is dependent on strong, long-term client relationships and on its reputation for responsiveness and quality. As a result, if a client is not satisfied with the company's services or products, its reputation could be damaged and its business adversely affected. Allegations by private litigants or regulators of improper conduct, as well as negative publicity and press speculation about the company, whatever the outcome and whether or not valid, may harm its reputation. In addition to harm to reputation, if the company fails to meet its contractual obligations, it could be subject to legal liability, which could adversely affect its business, operating results and financial condition.

Future results will depend in part on the performance and capabilities of third parties with whom the company has commercial relationships. The company maintains business relationships with suppliers, channel partners and other parties that have complementary products, services or skills. Future results will depend, in part, on the performance and capabilities of these third parties, on the ability of external suppliers to deliver components at reasonable prices and in a timely manner, and on the financial condition of, and the company's relationship with, distributors and other indirect channel partners, which can affect the company's capacity to effectively and efficiently serve current and potential customers and end users.

The company has significant pension obligations and may be required to make additional significant cash contributions to its defined benefit pension plans. The company has unfunded obligations under its U.S. and non-U.S. defined benefit pension plans. In 2014, the company made cash contributions of $183.4 million to its worldwide defined benefit pension plans. Based on current legislation, recent interest rates and expected returns, in 2015 the company estimates that it will make cash contributions to its worldwide defined benefit pension plans of approximately $128.8 million, which is comprised of $52.6 million for the company's U.S. qualified defined benefit pension plan and $76.2 million primarily for non-U.S. defined benefit pension plans.

Deterioration in the value of the company's worldwide defined benefit pension plan assets, as well as discount rate changes, could require the company to make larger cash contributions to its defined benefit pension plans in the future. In addition, the funding of plan deficits over a shorter period of time than currently anticipated could result in making cash contributions to these plans on a more accelerated basis. Either of these events would reduce the cash available for working capital and other corporate uses and may have an adverse impact on the company's operations, financial condition and liquidity.

The company's future results will depend on its ability to continue to simplify its operations and provide services more cost efficiently. Over the past several years, the company has implemented significant cost-reduction measures and continues to focus on measures intended to further improve cost efficiency. Future results will depend on the success of these efforts as well as on the company's continued ability to focus its global resources and simplify its business structure.

The company's business can be adversely affected by global economic conditions, acts of war, terrorism or natural disasters. The company's financial results have been impacted by the global economic slowdown in recent years. If economic conditions worsen, the company could see reductions in demand and increased pressure on revenue and profit margins. The company could also see a further consolidation of clients, which could also result in a decrease in demand. The company's business could also be affected by acts of war, terrorism or natural disasters. Current world tensions could escalate, and this could have unpredictable consequences on the world economy and on the company's business.

The company's contracts with U.S. governmental agencies may subject the company to audits, criminal penalties, sanctions and other expenses and fines. The company frequently enters into contracts with governmental entities. U.S. government agencies, including the Defense Contract Audit Agency and the Department of Labor, routinely audit government contractors. These agencies review a contractor's performance under its contracts, cost structure and compliance with applicable laws, regulations and standards. The U.S. government also may review the adequacy of, and a contractor's compliance with, contract terms and conditions, its systems and policies, including the contractor's purchasing, property, estimating, billing, accounting, compensation and management information systems. Any costs found to be overcharged or improperly allocated to a specific contract or any amounts improperly billed or charged for products or services will be subject to reimbursement to the government. In addition, government contractors, such as the company, are required to disclose credible evidence of certain violations of law and contract overpayments to the federal government. If the company is found to have participated in improper or illegal activities, the company may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or prohibition from doing business with the U.S. government. Any negative publicity related to such contracts, regardless of the accuracy of such publicity, may adversely affect the company's business or reputation.

More than half of the company's revenue is derived from operations outside of the United States, and the company is subject to the risks of doing business internationally. More than half of the company's total revenue is derived from international operations. The risks of doing business internationally include foreign currency exchange rate fluctuations, currency restrictions and devaluations, changes in political or economic conditions, trade protection measures, import or export licensing requirements, multiple and possibly overlapping and conflicting tax laws, new tax legislation, weaker intellectual property protections in some jurisdictions and additional legal and regulatory compliance requirements applicable to businesses that operate internationally, including the Foreign Corrupt Practices Act and non-U.S. laws and regulations.

Financial market conditions may inhibit the company's ability to access capital and credit markets to address its liquidity needs. Financial market conditions may impact the company's ability to borrow, to refinance its outstanding debt, or to utilize surety bonds, letters of credit, foreign exchange derivatives and other financial instruments the company uses to conduct its business. Although the company primarily uses cash on hand to address its liquidity needs, its ability to do so assumes that its operations will continue to generate sufficient cash.

The company's services or products may infringe upon the intellectual property rights of others. The company cannot be sure that its services and products do not infringe on the intellectual property rights of third parties, and it may have infringement claims asserted against it or against its clients. These claims could cost the company money, prevent it from offering some services or products, or damage its reputation.

Pending litigation could affect the company's results of operations or cash flow. There are various lawsuits, claims, investigations and proceedings that have been brought or asserted against the company, which arise in the ordinary course of business, including actions with respect to commercial and government contracts, labor and employment, employee benefits, environmental matters, intellectual property and non-income tax and employment compensation in Brazil. See Note 13 of the Notes to Consolidated Financial Statements for more information on litigation. The company believes that it has valid defenses with respect to legal matters pending against it. Litigation is inherently unpredictable, however, and it is possible that the company's results of operations or cash flow could be materially affected in any particular period by the resolution of one or more of the legal matters pending against it.

The company could face business and financial risk in implementing future dispositions or acquisitions. As part of the company's business strategy, it may from time to time consider disposing of existing technologies, products and businesses that may no longer be in alignment with its strategic direction, including transactions of a material size, or acquiring complementary technologies, products and businesses. Potential risks with respect to dispositions include difficulty finding buyers or alternative exit strategies on acceptable terms in a timely manner; potential loss of employees or clients;

dispositions at unfavorable prices or on unfavorable terms, including relating to retained liabilities; and post-closing indemnity claims. Any acquisitions may result in the incurrence of substantial additional indebtedness or contingent liabilities. Acquisitions could also result in potentially dilutive issuances of equity securities and an increase in amortization expenses related to intangible assets. Additional potential risks associated with acquisitions include integration difficulties; difficulties in maintaining or enhancing the profitability of any acquired business; risks of entering markets in which the company has no or limited prior experience; potential loss of employees or failure to maintain or renew any contracts of any acquired business; and expenses of any undiscovered or potential liabilities of the acquired product or business, including relating to employee benefits contribution obligations or environmental requirements. Further, with respect to both dispositions and acquisitions, management's attention could be diverted from other business concerns. Adverse credit conditions could also affect the company's ability to consummate dispositions or acquisitions. The risks associated with dispositions and acquisitions could have a material adverse effect upon the company's business, financial condition and results of operations. There can be no assurance that the company will be successful in consummating future dispositions or acquisitions on favorable terms or at all.

Unisys Corporation

Consolidated Financial Statements

Consolidated Statements of Income

Year ended December 31 (millions, except per share data)	**2014**	2013	2012
Revenue			
Services	**$ 2,887.7**	$ 2,996.1	$ 3,192.4
Technology	**468.7**	460.4	514.0
	3,356.4	3,456.5	3,706.4
Costs and expenses			
Cost of revenue:			
Services	**2,394.2**	2,405.5	2,567.7
Technology	**184.4**	202.6	165.2
	2,578.6	2,608.1	2,732.9
Selling, general and administrative expenses	**554.1**	559.4	572.8
Research and development expenses	**68.8**	69.5	81.5
	3,201.5	3,237.0	3,387.2
Operating profit	**154.9**	219.5	319.2
Interest expense	**9.2**	9.9	27.5
Other income (expense), net	**(.2)**	9.8	(37.6)
Income before income taxes	**145.5**	219.4	254.1
Provision for income taxes	**86.2**	99.3	97.3
Consolidated net income	**59.3**	120.1	156.8
Net income attributable to noncontrolling interests	**12.6**	11.6	11.2
Net income attributable to Unisys Corporation	**46.7**	108.5	145.6
Preferred stock dividends	**2.7**	16.2	16.2
Net income attributable to Unisys Corporation common shareholders	**$ 44.0**	$ 92.3	$ 129.4
Earnings per common share attributable to Unisys Corporation			
Basic	**$ .89**	$ 2.10	$ 2.95
Diluted	**$ .89**	$ 2.08	$ 2.84

See notes to consolidated financial statements.

Unisys Corporation

Consolidated Statements of Comprehensive Income

Year ended December 31 (millions)	**2014**	2013	2012
Consolidated net income	**$ 59.3**	$ 120.1	$ 156.8
Other comprehensive income			
Foreign currency translation	**(66.3)**	(40.1)	17.7
Postretirement adjustments, net of tax of $(42.5) in 2014, $14.6 in 2013 and $(28.3) in 2012	**(756.8)**	853.8	(452.3)
Total other comprehensive income (loss)	**(823.1)**	813.7	(434.6)
Comprehensive income (loss)	**(763.8)**	933.8	(277.8)
Comprehensive income (loss) attributable to noncontrolling interests	**30.5**	(25.1)	(9.3)
Comprehensive income (loss) attributable to Unisys Corporation	**$ (733.3)**	$ 908.7	$ (287.1)

See notes to consolidated financial statements.

Unisys Corporation

Consolidated Balance Sheets

December 31 (millions)	**2014**	2013
Assets		
Current assets		
Cash and cash equivalents	**$ 494.3**	$ 639.8
Accounts and notes receivable, net	**619.3**	683.1
Inventories:		
Parts and finished equipment	**22.2**	32.8
Work in process and materials	**24.5**	22.3
Deferred income taxes	**16.4**	24.1
Prepaid expenses and other current assets	**140.6**	138.7
Total	**1,317.3**	1,540.8
Properties	**1,059.4**	1,095.5
Less – Accumulated depreciation and amortization	**890.7**	920.8
Properties, net	**168.7**	174.7
Outsourcing assets, net	**150.9**	115.5
Marketable software, net	**144.1**	129.1
Prepaid postretirement assets	**19.9**	83.7
Deferred income taxes	**154.6**	112.3
Goodwill	**183.9**	188.7
Other long-term assets	**209.3**	165.2
Total	**$ 2,348.7**	$ 2,510.0
Liabilities and deficit		
Current liabilities		
Current maturities of long-term debt	**$ 1.8**	$ –
Accounts payable	**262.5**	246.7
Deferred revenue	**348.3**	402.4
Other accrued liabilities	**385.1**	375.7
Total	**997.7**	1,024.8
Long-term debt	**222.2**	210.0
Long-term postretirement liabilities	**2,369.9**	1,697.2
Long-term deferred revenue	**119.5**	122.7
Other long-term liabilities	**91.8**	119.2
Commitments and contingencies		
Deficit		
6.25% mandatory convertible preferred stock	**–**	249.7
Common stock, par value $.01 per share (100.0 million shares authorized; 52.4 million shares and 45.1 million shares issued)	**.5**	.4
Accumulated deficit	**(1,735.8)**	(1,782.5)
Treasury stock, at cost	**(99.6)**	(62.4)
Paid-in capital	**4,488.3**	4,227.7
Accumulated other comprehensive loss	**(4,113.4)**	(3,333.4)
Total Unisys stockholders' deficit	**(1,460.0)**	(700.5)
Noncontrolling interests	**7.6**	36.6
Total deficit	**(1,452.4)**	(663.9)
Total	**$ 2,348.7**	$ 2,510.0

See notes to consolidated financial statements.

Unisys Corporation

Consolidated Statements of Cash Flows

Year ended December 31 (millions)	**2014**	2013	2012
Cash flows from operating activities			
Consolidated net income	**$ 59.3**	$ 120.1	$ 156.8
Add (deduct) items to reconcile consolidated net income to net cash provided by operating activities:			
Company stock issued for U.S. 401(k) plan	**–**	–	6.2
Foreign currency transaction losses	**7.4**	6.5	–
Loss on debt extinguishment	**–**	–	30.6
Employee stock compensation	**10.4**	12.5	14.3
Depreciation and amortization of properties	**52.0**	46.7	54.7
Depreciation and amortization of outsourcing assets	**58.1**	53.5	57.9
Amortization of marketable software	**58.5**	59.4	62.0
Other non-cash operating activities	**7.8**	(.6)	(2.7)
Disposal of capital assets	**1.8**	2.0	6.3
(Gain) loss on sale of businesses and assets	**(.7)**	1.5	(11.7)
Pension contributions	**(183.4)**	(147.2)	(201.5)
Pension expense	**73.8**	93.5	108.2
Decrease in deferred income taxes, net	**24.8**	29.4	26.3
Increase in receivables, net	**(14.3)**	(63.5)	(11.2)
Decrease (increase) in inventories	**6.3**	(6.5)	14.2
(Increase) decrease in other assets	**(23.7)**	(16.5)	32.2
Increase (decrease) in accounts payable and other accrued liabilities	**14.4**	1.9	(80.7)
Decrease in other liabilities	**(31.1)**	(5.3)	(.6)
Net cash provided by operating activities	**121.4**	187.4	261.3
Cash flows from investing activities			
Proceeds from investments	**5,654.0**	5,315.9	4,108.5
Purchases of investments	**(5,640.3)**	(5,325.8)	(4,107.2)
Investment in marketable software	**(73.6)**	(64.3)	(56.4)
Capital additions of properties	**(53.3)**	(47.2)	(40.1)
Capital additions of outsourcing assets	**(85.9)**	(39.9)	(36.1)
Other	**3.8**	(1.4)	4.6
Net cash used for investing activities	**(195.3)**	(162.7)	(126.7)
Cash flows from financing activities			
Common stock repurchases	**(35.7)**	(11.7)	–
Dividends paid on preferred stock	**(4.0)**	(16.2)	(16.2)
Proceeds from exercise of stock options	**3.4**	4.9	.4
Financing fees	**(.6)**	–	–
Proceeds from issuance of long-term debt	**–**	–	204.8
Payments of long-term debt	**–**	–	(388.9)
Dividends paid to noncontrolling interest	**–**	–	(4.5)
Net cash used for financing activities	**(36.9)**	(23.0)	(204.4)
Effect of exchange rate changes on cash and cash equivalents	**(34.7)**	(17.5)	10.5
Decrease in cash and cash equivalents	**(145.5)**	(15.8)	(59.3)
Cash and cash equivalents, beginning of year	**639.8**	655.6	714.9
Cash and cash equivalents, end of year	**$ 494.3**	$ 639.8	$ 655.6

See notes to consolidated financial statements.

Unisys Corporation

Consolidated Statements of Deficit

		Unisys Corporation							
(millions)	Total	Total Unisys Corporation	Preferred Stock	Common Stock Par Value	Accumu-lated Deficit	Treasury Stock At Cost	Paid-in Capital	Accumu-lated Other Compre-hensive Loss	Non-controlling Interests
Balance at December 31, 2011	$ (1,311.0)	$ (1,318.1)	$ 249.7	$ .4	$ (2,036.6)	$ (48.1)	$ 4,217.4	$ (3,700.9)	$ 7.1
Consolidated net income	156.8	145.6			145.6				11.2
Stock-based compensation	21.2	21.2				(.7)	21.9		
Dividends declared to preferred holders	(16.2)	(16.2)					(16.2)		
Dividends declared to noncontrolling interests	(3.5)								(3.5)
Sale of subsidiary	(1.4)								(1.4)
Translation adjustments	17.7	14.8						14.8	2.9
Postretirement plans	(452.3)	(447.5)						(447.5)	(4.8)
Balance at December 31, 2012	(1,588.7)	(1,600.2)	249.7	.4	(1,891.0)	(48.8)	4,223.1	(4,133.6)	11.5
Consolidated net income	120.1	108.5			108.5				11.6
Stock-based compensation	14.8	14.8				(1.9)	16.7		
Dividends declared to preferred holders	(12.1)	(12.1)					(12.1)		
Common stock repurchases	(11.7)	(11.7)				(11.7)			
Translation adjustments	(40.1)	(42.5)						(42.5)	2.4
Postretirement plans	853.8	842.7						842.7	11.1
Balance at December 31, 2013	(663.9)	(700.5)	249.7	.4	(1,782.5)	(62.4)	4,227.7	(3,333.4)	36.6
Consolidated net income	59.3	46.7			46.7				12.6
Stock-based compensation	13.5	13.5				(1.5)	15.0		
Dividends declared to preferred holders	(4.0)	(4.0)					(4.0)		
Preferred stock conversion	–	–	(249.7)	.1			249.6		
Sale of subsidiary	1.5								1.5
Common stock repurchases	(35.7)	(35.7)				(35.7)			
Translation adjustments	(66.3)	(61.0)						(61.0)	(5.3)
Postretirement plans	(756.8)	(719.0)						(719.0)	(37.8)
Balance at December 31, 2014	$ (1,452.4)	$ (1,460.0)	$ –	$ .5	$ (1,735.8)	$ (99.6)	$ 4,488.3	$ (4,113.4)	$ 7.6

See notes to consolidated financial statements.

Unisys Corporation

Notes to Consolidated Financial Statements

1. Summary of significant accounting policies

Principles of consolidation The consolidated financial statements include the accounts of all majority-owned subsidiaries.

Use of estimates The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions about future events. These estimates and assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities and the reported amounts of revenue and expenses. Such estimates include the valuation of accounts receivable, inventories, outsourcing assets, marketable software, goodwill and other long-lived assets, legal contingencies, indemnifications, and assumptions used in the calculation for systems integration projects, income taxes and retirement and other post-employment benefits, among others. These estimates and assumptions are based on management’s best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

Cash equivalents All short-term investments purchased with a maturity of three months or less and certificates of deposit which may be withdrawn at any time at the discretion of the company without penalty are classified as cash equivalents.

Inventories Inventories are valued at the lower of cost or market. Cost is determined on the first-in, first-out method.

Properties Properties are carried at cost and are depreciated over the estimated lives of such assets using the straight-line method. The estimated lives used, in years, are as follows: buildings, 20 – 50; machinery and office equipment, 4 – 7; rental equipment, 4; and internal-use software, 3 – 10.

Advertising costs All advertising costs are expensed as incurred. The amount charged to expense during 2014, 2013 and 2012 was $8.0 million, $2.5 million and $3.1 million, respectively.

Shipping and handling Costs related to shipping and handling is included in cost of revenue.

Revenue recognition Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the fee is fixed or determinable, and collectability is probable.

Revenue from hardware sales with standard payment terms is recognized upon the passage of title and the transfer of risk of loss. Outside the United States, the company recognizes revenue even if it retains a form of title to products delivered to customers, provided the sole purpose is to enable the company to recover the products in the event of customer payment default and the arrangement does not prohibit the customer’s use of the product in the ordinary course of business.

Revenue from software licenses with standard payment terms is recognized at the inception of the initial license term and upon execution of an extension to the license term.

The company also enters into multiple-element arrangements, which may include any combination of hardware, software or services. For example, a client may purchase an enterprise server that includes operating system software. In addition, the arrangement may include post-contract support for the software and a contract for post-warranty maintenance for service of the hardware. These arrangements consist of multiple deliverables, with hardware and software delivered in one reporting period and the software support and hardware maintenance services delivered across multiple reporting periods. In another example, the company may provide desktop managed services to a client on a long term multiple year basis and periodically sell hardware and software products to the client. The services are provided on a continuous basis across multiple reporting periods and the hardware and software products are delivered in one reporting period. To the extent that a deliverable in a multiple-deliverable arrangement is subject to specific guidance, that deliverable is accounted for in accordance with such specific guidance. Examples of such arrangements may include leased hardware which is subject to specific leasing guidance or software which is subject to specific software revenue recognition guidance.

In these transactions, the company allocates the total revenue to be earned under the arrangement among the various elements based on a selling price hierarchy. The selling price for a deliverable is based on its vendor specific objective evidence (VSOE) if available, third party evidence (TPE) if VSOE is not available, or the best estimated selling price (ESP) if neither VSOE nor TPE is available. VSOE of selling price is based upon the normal pricing and discounting practices for those products and services when sold separately. TPE of selling price is based on evaluating largely similar and interchangeable competitor products or services in standalone sales to similarly situated customers. ESP is established considering factors such as margin objectives, discounts off of list prices, market conditions, competition and other factors. ESP represents the price at which the company would transact for the deliverable if it were sold by the company regularly on a standalone basis.

As mentioned above, some of the company’s multiple-element arrangements may include leased hardware which is subject to specific leasing guidance. Revenue under these arrangements is allocated considering the relative selling prices of the lease and non-lease elements. Lease deliverables include hardware, financing, maintenance and other executory costs, while non-lease deliverables generally consist of non-maintenance services. The amount of revenue allocated to the lease deliverables begins by allocating revenue to maintenance and other executory costs plus a profit thereon. These elements are generally recognized over the term of the lease. The remaining amounts are allocated to the hardware and financing elements. The amount allocated to hardware is recognized as revenue monthly over the term of the lease for those leases which are classified as operating leases and at the inception of the lease term for those leases which are classified as sales-type leases. The amount of finance income attributable to sales-type leases is recognized on the accrual basis using the effective interest method.

For multiple-element arrangements that involve the licensing, selling or leasing of software, for software and software-related elements, the allocation of revenue is based on VSOE. There may be cases in which there is VSOE of fair value of the undelivered elements but no such evidence for the delivered elements. In these cases, the residual method is used to allocate the arrangement consideration. Under the residual method, the amount of consideration allocated to the delivered elements equals the total arrangement consideration less the aggregate VSOE of fair value of the undelivered elements.

For multiple-element arrangements that include products or services that (a) do not include the licensing, selling or leasing of software, or (b) contain software that is incidental to the products or services as a whole or (c) contain software components that are sold, licensed or leased with tangible products when the software components and non-software components (i.e., the hardware and software) of the tangible product function together to deliver the tangible product’s essential functionality (e.g., sales of the company’s enterprise-class servers including hardware and software), or some combination of the above, the allocation of revenue is based on the relative selling prices of each of the deliverables in the arrangement based on the selling price hierarchy, discussed above.

For multiple-element arrangements that include both software and non-software deliverables, the company allocates arrangement consideration to the software group and to the non-software group based on the relative selling prices of the deliverables in the arrangement based on the selling price hierarchy discussed above. For the software group, arrangement consideration is further allocated using VSOE as described above.

The company recognizes revenue on delivered elements only if: (a) any undelivered products or services are not essential to the functionality of the delivered products or services, (b) the company has an enforceable claim to receive the amount due in the event it does not deliver the undelivered products or services, (c) there is evidence of the selling price for each undelivered products or services, and (d) the revenue recognition criteria otherwise have been met for the delivered elements. Otherwise, revenue on delivered elements is recognized as the undelivered elements are delivered.

The company evaluates each deliverable in an arrangement to determine whether it represents a separate unit of accounting. A delivered element constitutes a separate unit of accounting when it has standalone value and there is no customer-negotiated refund or return right for the delivered elements. If these criteria are not met, the deliverable is combined with the undelivered elements and the allocation of the arrangement consideration and revenue recognition are determined for the combined unit as a single unit.

Revenue from hardware sales and software licenses with extended payment terms is recognized as payments from customers become due (assuming that all other conditions for revenue recognition have been satisfied).

Revenue for operating leases is recognized on a monthly basis over the term of the lease and for sales-type leases at the inception of the lease term.

Revenue from equipment and software maintenance and post-contract support is recognized on a straight-line basis as earned over the terms of the respective contracts. Cost related to such contracts is recognized as incurred.

Revenue and profit under systems integration contracts are recognized either on the percentage-of-completion method of accounting using the cost-to-cost method, or when services have been performed, depending on the nature of the project. For contracts accounted for on the percentage-of-completion basis, revenue and profit recognized in any given accounting period are based on estimates of total projected contract costs. The estimates are continually reevaluated and revised, when necessary, throughout the life of a contract. Any adjustments to revenue and profit resulting from changes in estimates are accounted for in the period of the change in estimate. When estimates indicate that a loss will be incurred on a contract upon completion, a provision for the expected loss is recorded in the period in which the loss becomes evident.

Revenue from time and materials service contracts and outsourcing contracts is recognized as the services are provided using either an objective measure of output or on a straight-line basis over the term of the contract.

Income taxes Income taxes are based on income before taxes for financial reporting purposes and reflect a current tax liability for the estimated taxes payable in the current-year tax return and changes in deferred taxes. Deferred tax assets or liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax laws and rates. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the asset will not be realized. The company has elected the policy of not providing for intra-period tax allocations between pretax earnings and other comprehensive income in instances where there is no net tax provision. This determination is made for each tax jurisdiction.

The company recognizes penalties and interest accrued related to income tax liabilities in provision for income taxes in its consolidated statements of income.

Marketable software The cost of development of computer software to be sold or leased, incurred subsequent to establishment of technological feasibility, is capitalized and amortized to cost of sales over the estimated revenue-producing lives of the products, but not in excess of three years following product release. The company performs quarterly reviews to ensure that unamortized costs remain recoverable from future revenue.

Internal-use software The company capitalizes certain internal and external costs incurred to acquire or create internal-use software, principally related to software coding, designing system interfaces, and installation and testing of the software. These costs are amortized in accordance with the fixed asset policy described above.

Outsourcing assets Costs on outsourcing contracts are generally expensed as incurred. However, certain costs incurred upon initiation of an outsourcing contract (principally initial customer setup) are deferred and expensed over the initial contract life. Fixed assets and software used in connection with outsourcing contracts are capitalized and depreciated over the shorter of the initial contract life or in accordance with the fixed asset policy described above.

Recoverability of outsourcing assets is subject to various business risks. The company quarterly compares the carrying value of the outsourcing assets with the undiscounted future cash flows expected to be generated by the outsourcing assets to determine if there is impairment. If impaired, the outsourcing assets are reduced to an estimated fair value on a discounted cash flow basis. The company prepares its cash flow estimates based on assumptions that it believes to be reasonable but are also inherently uncertain. Actual future cash flows could differ from these estimates.

Translation of foreign currency The local currency is the functional currency for most of the company's international subsidiaries, and as such, assets and liabilities are translated into U.S. dollars at year-end exchange rates. Income and expense items are translated at average exchange rates during the year. Translation adjustments resulting from changes in exchange rates are reported in other comprehensive income (loss). Exchange gains and losses on intercompany balances are reported in other income (expense), net.

For those international subsidiaries operating in highly inflationary economies, the U.S. dollar is the functional currency, and as such, nonmonetary assets and liabilities are translated at historical exchange rates, and monetary assets and liabilities are translated at current exchange rates. Exchange gains and losses arising from translation are included in other income (expense), net.

Stock-based compensation plans Stock-based compensation represents the cost related to stock-based awards granted to employees and directors. The company recognizes compensation expense for the fair value of stock options, which have graded vesting, on a straight-line basis over the requisite service period. The company estimates the fair value of stock options using a Black-Scholes valuation model. The expense is recorded in selling, general and administrative expenses.

Retirement benefits Accounting rules covering defined benefit pension plans and other postretirement benefits require that amounts recognized in financial statements be determined on an actuarial basis. A significant element in determining the company's retirement benefits expense or income is the expected long-term rate of return on plan assets. This expected return is an assumption as to the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the projected pension benefit obligation. The company applies this assumed long-term rate of return to a calculated value of plan assets, which recognizes changes in the fair value of plan assets in a systematic manner over four years. This produces the expected return on plan assets that is included in retirement benefits expense or income. The difference between this expected return and the actual return on plan assets is deferred. The net deferral of past asset losses or gains affects the calculated value of plan assets and, ultimately, future retirement benefits expense or income.

At December 31 of each year, the company determines the fair value of its retirement benefits plan assets as well as the discount rate to be used to calculate the present value of plan liabilities. The discount rate is an estimate of the interest rate at which the retirement benefits could be effectively settled. In estimating the discount rate, the company looks to rates of return on high-quality, fixed-income investments currently available and expected to be available during the period to maturity of the retirement benefits. The company uses a portfolio of fixed-income securities, which receive at least the second-highest rating given by a recognized ratings agency.

Fair value measurements Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities required to be recorded at fair value, the company assumes that the transaction is an orderly transaction that assumes exposure to the market for a period before the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities; it is not a forced transaction (for example, a forced liquidation or distress sale). The fair value hierarchy has three levels of inputs that may be used to measure fair value: Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date; Level 2 – Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3 – Unobservable inputs for the asset or liability. The company has applied fair value measurements to its long-term debt (see note 8), derivatives (see note 11) and to its postretirement plan assets (see note 16).

Noncontrolling interest The company owns a fifty-one percent interest in Intelligent Processing Solutions Ltd. (iPSL), a U.K. business processing outsourcing joint venture. The remaining interests, which is reflected as a noncontrolling interest in the company's financial statements, are owned by three financial institutions for which iPSL performs services.

2. Earnings per common share

The following table shows how the earnings per common share attributable to Unisys Corporation were computed for the three years ended December 31, 2014.

Year ended December 31 (millions, except per share data)	**2014**	2013	2012
Basic earnings per common share computation			
Net income attributable to Unisys Corporation common stockholders	**$ 44.0**	$ 92.3	$ 129.4
Weighted average shares (thousands)	**49,280**	43,899	43,864
Basic earnings per common share	**$ .89**	$ 2.10	$ 2.95
Diluted earnings per common share computation			
Net income attributable to Unisys Corporation common stockholders	**$ 44.0**	$ 92.3	$ 129.4
Add preferred stock dividends	**–**	–	16.2
Net income attributable to Unisys Corporation for diluted earnings per share	**$ 44.0**	$ 92.3	$ 145.6
Weighted average shares (thousands)	**49,280**	43,899	43,864
Plus incremental shares from assumed conversions			
Employee stock plans	**304**	448	439
Preferred stock	**–**	–	6,913
Adjusted weighted average shares	**49,584**	44,347	51,216
Diluted earnings per common share	**$ .89**	$ 2.08	$ 2.84

In 2014, 2013 and 2012, the following weighted-average number of stock options and restricted stock units were antidilutive and therefore excluded from the computation of diluted earnings per common share (in thousands): 1,929; 2,142; and 2,261, respectively. In 2014 and 2013, the following weighted-average mandatory convertible preferred stock was antidilutive and therefore excluded from the computation of diluted earnings per share (in thousands): 1,171 and 6,913, respectively.

3. Goodwill

Goodwill is reviewed annually for impairment and whenever events or circumstances occur indicating that goodwill may be impaired. The company performed its annual impairment test in the fourth quarter of 2014, which indicated that goodwill was not impaired.

Changes in the carrying amount of goodwill by segment for the years ended December 31, 2014 and 2013 were as follows:

(millions)	Total	Services	Technology
Balance at December 31, 2012	$ 192.3	$ 83.6	$ 108.7
Translation adjustments	(3.6)	(3.6)	–
Balance at December 31, 2013	188.7	80.0	108.7
Translation adjustments	(4.8)	(4.8)	–
Balance at December 31, 2014	$ 183.9	$ 75.2	$ 108.7

4. Recent accounting pronouncements and accounting changes

Effective January 1, 2014, the company adopted the Financial Accounting Standards Board (FASB) accounting guidance on reporting discontinued operations. The new guidance is aimed at reducing the frequency of disposals reported as discontinued operations by focusing on strategic shifts that have or are expected to have a major effect on an entity's operations and financial results. Such a shift could include the disposal of a major line of business, a major geographical area, a major equity method investment or other major parts of the entity. In another change from current U.S. GAAP, the guidance permits companies to have continuing cash flows and significant continuing involvement with the disposed component. The guidance does not change the presentation requirements for discontinued operations in the statement of income. The guidance requires expanded disclosures for discontinued operations and new disclosures for individually material disposals that do not meet the definition of a discontinued operation. Since the company did not dispose of any operations in 2014, adoption of the guidance did not have an impact on the company's consolidated financial statements.

Effective January 1, 2013, the company adopted the FASB's authoritative guidance that requires companies to disclose the following: (a) for items reclassified out of accumulated other comprehensive income (AOCI) and into net income in their entirety, the effect of the reclassification on each affected income statement line item; and (b) for AOCI reclassification items that are not reclassified in their entirety into net income, a cross reference to other required U.S. GAAP disclosures. The new standard was required to be applied prospectively. Other than additional disclosure, the adoption of the new standard did not have an impact on the company's consolidated financial statements.

In May of 2014, the FASB issued a new revenue recognition standard entitled "Revenue from Contracts with Customers." The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows from a contract with a customer. The standard is effective for annual reporting periods beginning after December 15, 2016, which for the company is January 1, 2017. Earlier application is not permitted. The standard allows for either "full retrospective" adoption, meaning the standard is applied to all periods presented, or "modified retrospective" adoption, meaning the standard is applied only to the most current period presented in the financial statements. The company is currently assessing which method it will choose for adoption, and is evaluating the impact of the adoption on its consolidated results of operations and financial position.

5. Accounts receivable

Accounts receivable consist principally of trade accounts receivable from customers and are generally unsecured and due within 30 to 90 days. Credit losses relating to these receivables consistently have been within management's expectations. Expected credit losses are recorded as an allowance for doubtful accounts in the consolidated balance sheets. Estimates of expected credit losses are based primarily on the aging of the accounts receivable balances. The company records a specific reserve for individual accounts when it becomes aware of a customer's inability to meet its financial obligations, such as in the case of bankruptcy filings or deterioration in the customer's operating results or financial position. The collection policies and procedures of the company vary by credit class and prior payment history of customers.

Revenue recognized in excess of billings on services contracts, or unbilled accounts receivable, was $100.1 million and $125.0 million at December 31, 2014 and 2013, respectively.

At December 31, 2014, receivables under sales-type leases before the allowance for unearned income were collectible as follows (in millions): 2015, $32.5; 2016, $27.6; 2017, $23.1; 2018, $22.9; 2019, $7.1; and $2.6 thereafter.

Unearned income, which is deducted from accounts and notes receivable, was $11.8 million and $10.5 million at December 31, 2014 and 2013, respectively. The allowance for doubtful accounts, which is reported as a deduction from accounts and notes receivable, was $30.1 million and $28.3 million at December 31, 2014 and 2013, respectively. The provision for doubtful accounts, which is reported in selling, general and administrative expenses in the consolidated statements of income, was expense (income) of $2.7 million, $(.6) million and $(2.7) million, in 2014, 2013 and 2012, respectively.

6. Income taxes

Following is the total income before income taxes and the provision for income taxes for the three years ended December 31, 2014.

Year ended December 31 (millions)	**2014**	2013	2012
Income before income taxes			
United States	**$ (19.9)**	$ 28.4	$ 32.5
Foreign	**165.4**	191.0	221.6
Total income before income taxes	**$ 145.5**	$ 219.4	$ 254.1
Provision for income taxes			
Current			
United States	**$ 2.1**	$ 8.0	$ 3.6
Foreign	**59.4**	63.0	66.5
State and local	**1.0**	(.2)	–
Total	**62.5**	70.8	70.1
Deferred			
Foreign	**23.7**	28.5	27.2
Total provision for income taxes	**$ 86.2**	$ 99.3	$ 97.3

Following is a reconciliation of the provision for income taxes at the United States statutory tax rate to the provision for income taxes as reported:

Year ended December 31 (millions)	**2014**	2013	2012
United States statutory income tax provision	**$ 50.9**	$ 76.8	$ 88.9
Income and losses for which no provision or benefit has been recognized	**35.7**	13.5	7.0
Foreign rate differential and other foreign tax expense	**(22.0)**	(23.0)	(32.2)
Income tax withholdings	**17.1**	15.4	20.3
Permanent items	**1.1**	4.0	4.0
Enacted rate changes	**–**	8.9	9.0
Change in uncertain tax positions	**.2**	4.4	4.5
Change in valuation allowances due to changes in judgment	**7.0**	(.5)	–
Income tax credits, U.S.	**(3.9)**	–	(4.0)
Other	**.1**	(.2)	(.2)
Provision for income taxes	**$ 86.2**	$ 99.3	$ 97.3

The 2013 and 2012 provision for income taxes included $11.4 million and $9.2 million, respectively, due to a reduction in the UK income tax rate. The rate reductions were enacted in the third quarters of 2013 and 2012, and reduced the rate from 26% to 24% effective April 1, 2012, to 23% effective April 1, 2013, to 21% effective April 1, 2014 and to 20% effective April 1, 2015. The tax provisions were caused by a write down of the UK net deferred tax assets.

The tax effects of temporary differences and carryforwards that give rise to significant portions of deferred tax assets and liabilities at December 31, 2014 and 2013 were as follows:

December 31 (millions)		2014		2013
Deferred tax assets				
Tax loss carryforwards	**$**	**883.3**	$	888.8
Postretirement benefits		**791.3**		566.3
Foreign tax credit carryforwards		**245.5**		252.4
Other tax credit carryforwards		**88.0**		88.9
Deferred revenue		**60.5**		86.4
Employee benefits and compensation		**44.6**		42.4
Purchased capitalized software		**39.3**		41.3
Capitalized research and development		**36.0**		89.7
Depreciation		**34.9**		31.6
Capitalized costs		**16.3**		16.5
Warranty, bad debts and other reserves		**12.8**		14.6
Other		**29.5**		26.8
		2,282.0		2,145.7
Valuation allowance		**(2,107.8)**		(1,998.8)
Total deferred tax assets	**$**	**174.2**	$	146.9
Deferred tax liabilities				
Other	**$**	**37.9**	$	33.0
Total deferred tax liabilities	**$**	**37.9**	$	33.0
Net deferred tax assets	**$**	**136.3**	$	113.9

At December 31, 2014, the company has U.S. Federal ($431.6 million), state and local ($204.5 million), and foreign ($247.2 million) tax loss carryforwards, the total tax effect of which is $883.3 million. These carryforwards will expire as follows (in millions): 2015, $11.1; 2016, $8.7; 2017, $11.9; 2018, $24.6; 2019, $8.4; and $818.6 thereafter. The company also has available tax credit carryforwards of approximately $333.5 million, which will expire as follows (in millions): 2015, $7.5; 2016, $10.5; 2017, $48.2; 2018, $20.8; 2019, $20.6; and $225.9 thereafter.

Failure to achieve forecasted taxable income might affect the ultimate realization of the company's net deferred tax assets. Factors that may affect the company's ability to achieve sufficient forecasted taxable income include, but are not limited to, the following: increased competition, a decline in sales or margins, loss of market share, the impact of the economic environment, delays in product availability and technological obsolescence.

Cumulative undistributed earnings of foreign subsidiaries, for which no U.S. income or foreign withholding taxes have been recorded, approximated $1,279.7 million at December 31, 2014. As the company currently intends to indefinitely reinvest all such earnings, no provision has been made for income taxes that may become payable upon distribution of such earnings, and it is not practicable to determine the amount of the related unrecognized deferred income tax liability.

Cash paid for income taxes, net of refunds, during 2014, 2013 and 2012 was $73.9 million, $63.8 million and $39.9 million, respectively.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Year ended December 31 (millions)		2014		2013		2012
Balance at January 1	**$**	**26.3**	$	29.2	$	24.3
Additions based on tax positions related to the current year		**14.4**		(2.4)		3.5
Changes for tax positions of prior years		**(1.4)**		(.1)		1.4
Reductions as a result of a lapse of applicable statute of limitations		**(1.6)**		–		(.4)
Settlements		**(.9)**		(.2)		(.7)
Changes due to foreign currency		**(1.8)**		(.2)		1.1
Balance at December 31	**$**	**35.0**	$	26.3	$	29.2

The company recognizes penalties and interest accrued related to income tax liabilities in the provision for income taxes in its consolidated statements of income. At December 31, 2014 and 2013, the company had an accrual of $1.6 million and $2.1 million, respectively, for the payment of penalties and interest.

At December 31, 2014, all of the company's liability for unrecognized tax benefits, if recognized, would affect the company's effective tax rate. Within the next 12 months, the company believes that it is reasonably possible that the amount of unrecognized tax benefits may significantly change; however, various events could cause this belief to change in the future.

The company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. Several U.S. state and foreign income tax audits are in process. The company is under an audit in India, for which years prior to 2006 are closed. For Brazil and the United Kingdom, which are the most significant jurisdictions outside the U.S., the audit periods through 2009 and 2010, respectively, are closed. All of the various ongoing income tax audits throughout the world are not expected to have a material impact on the company's financial position.

Internal Revenue Code Sections 382 and 383 provide annual limitations with respect to the ability of a corporation to utilize its net operating loss (as well as certain built-in losses) and tax credit carryforwards, respectively (Tax Attributes), against future U.S. taxable income, if the corporation experiences an "ownership change." In general terms, an ownership change may result from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50 percentage points over a three-year period. The company regularly monitors ownership changes (as calculated for purposes of Section 382). The company has determined that, for purposes of the rules of Section 382 described above, an ownership change occurred in February 2011. Any future transaction or transactions and the timing of such transaction or transactions could trigger additional ownership changes under Section 382.

As a result of the ownership change, utilization of the company's Tax Attributes will be subject to an overall annual limitation of $70.6 million. This limitation will be applied first to any recognized built in losses, then to any net operating losses, and then to any other Tax Attributes. Any unused limitation may be carried over to later years. As of December 31, 2013, due to the ownership change in 2011, the Section 382 limitation and accompanying built in losses caused the company to reduce its deferred tax assets and related valuation allowance by $389.6 million. Based on presently available information and the existence of tax planning strategies, the company does not expect to incur a U.S. cash tax liability in the near term. The company maintains a full valuation allowance against the realization of all U.S. deferred tax assets as well as certain foreign deferred tax assets in excess of deferred tax liabilities.

7. Properties

Properties comprise the following:

December 31 (millions)	2014	2013
Land	**$ 2.8**	$ 3.2
Buildings	**80.1**	86.1
Machinery and office equipment	**644.9**	677.8
Internal-use software	**257.7**	244.6
Rental equipment	**73.9**	83.8
Total properties	**$ 1,059.4**	$ 1,095.5

8. Debt

Long-term debt is comprised of the following:

December 31 (millions)	2014	2013
6.25% senior notes due 2017	**$ 210.0**	$ 210.0
Capital leases	**14.0**	–
Total	**224.0**	210.0
Less – current maturities	**1.8**	–
Total long-term debt	**$ 222.2**	$ 210.0

All $210.0 million of 6.25% long-term debt matures in 2017. Capital leases maturities in 2015, 2016, 2017, 2018, 2019 and thereafter are $1.8 million, $2.6 million, $2.7 million, $2.4 million, $1.3 million and $3.2 million, respectively.

Cash paid for interest during 2014, 2013 and 2012 was $13.2 million, $12.9 million and $42.5 million, respectively. Capitalized interest expense during 2014, 2013 and 2012 was $4.0 million, $3.2 million and $5.3 million, respectively.

The company has a secured revolving credit facility, expiring in June 2018, which provides for loans and letters of credit up to an aggregate amount of $150 million (with a limit on letters of credit of $100 million). Borrowing limits under the credit agreement are based upon the amount of eligible U.S. accounts receivable. At December 31, 2014, the company had no borrowings and $18.8 million of letters of credit outstanding under the facility. At December 31, 2014, availability under the facility was $100.0 million net of letters of credit issued. Borrowings under the facility will bear interest based on short-term rates. The credit agreement contains customary representations and warranties, including that there has been no material adverse change in the company’s business, properties, operations or financial condition. The company is required to maintain a minimum fixed charge coverage ratio if the company’s availability under the credit facility falls below the greater of 12.5% of the lenders’ commitments under the facility and $18.75 million. The credit agreement allows the company to pay dividends on its capital stock in an amount up to $22.5 million per year unless the company is in default and to, among other things, repurchase its equity, prepay other debt, incur other debt or liens, dispose of assets and make acquisitions, loans and investments, provided the company complies with certain requirements and limitations set forth in the agreement. Events of default include non-payment, failure to comply with covenants, materially incorrect representations and warranties, change of control and default under other debt aggregating at least $50 million. The credit facility is guaranteed by Unisys Holding Corporation, Unisys NPL, Inc., Unisys AP Investment Company I and any future material domestic subsidiaries. The facility is secured by the assets of Unisys Corporation and the subsidiary guarantors, other than certain excluded assets. The company may elect to prepay or terminate the credit facility without penalty.

At December 31, 2014, the company has met all covenants and conditions under its various lending agreements. The company expects to continue to meet these covenants and conditions.

The company’s principal sources of liquidity are cash on hand, cash from operations and its revolving credit facility, discussed above. The company and certain international subsidiaries have access to uncommitted lines of credit from various banks.

The company’s anticipated future cash expenditures include anticipated contributions to its defined benefit pension plans. The company believes that it has adequate sources of liquidity to meet its expected 2015 cash requirements.

9. Other liabilities

Other accrued liabilities (current) are comprised of the following:

December 31 (millions)	2014	2013
Payrolls and commissions	**$ 109.3**	$ 103.9
Accrued vacations	**60.8**	67.2
Income taxes	**58.3**	40.9
Taxes other than income taxes	**53.8**	62.4
Postretirement	**22.6**	25.1
Accrued interest	**4.9**	4.9
Other	**75.4**	71.3
Total other accrued liabilities	**$ 385.1**	$ 375.7

10. Rental expense and commitments

Rental expense, less income from subleases, for 2014, 2013 and 2012 was $83.7 million, $85.3 million and $84.7 million, respectively. Income from subleases, for 2014, 2013 and 2012 was $8.5 million, $7.4 million and $8.5 million, respectively.

Minimum net rental commitments under noncancelable operating leases, including idle leases, outstanding at December 31, 2014, substantially all of which relate to real properties, were as follows: 2015, $58.2 million; 2016, $47.2 million; 2017, $38.9 million; 2018, $26.6 million; 2019, $19.9 million; and $34.3 million thereafter. Such rental commitments have been reduced by minimum sublease rentals of $32.0 million, due in the future under noncancelable subleases.

At December 31, 2014, the company had outstanding standby letters of credit and surety bonds totaling approximately $343 million related to performance and payment guarantees. On the basis of experience with these arrangements, the company believes that any obligations that may arise will not be material. In addition, at December 31, 2014, the company had deposits and collateral of approximately $58 million in other long-term assets, principally related to collateralized letters of credit, and to tax and labor contingencies in Brazil.

11. Financial instruments and concentration of credit risks

Due to its foreign operations, the company is exposed to the effects of foreign currency exchange rate fluctuations on the U.S. dollar, principally related to intercompany account balances. The company uses derivative financial instruments to reduce its exposure to market risks from changes in foreign currency exchange rates on such balances. The company enters into foreign exchange forward contracts, generally having maturities of one month, which have not been designated as hedging instruments. At December 31, 2014 and 2013, the notional amount of these contracts was $403.9 million and $482.6 million, respectively, and the fair value of such contracts was a net gain of $5.3 million and a net gain of $1.7 million, respectively, of which a gain of $6.1 million and $2.0 million, respectively, has been recognized in "Prepaid expenses and other current assets" and a loss of $.8 million and $.3 million, respectively, has been recognized in "Other accrued liabilities." Changes in the fair value of these instruments was a gain of $17.3 million, a loss of $7.3 million and a loss of $.4 million, respectively, for years ended December 31, 2014, 2013 and 2012, which has been recognized in earnings in "Other income (expense), net" in the company's consolidated statement of income. The fair value of these forward contracts is based on quoted prices for similar but not identical financial instruments; as such, the inputs are considered Level 2 inputs.

Financial instruments also include temporary cash investments and customer accounts receivable. Temporary investments are placed with creditworthy financial institutions, primarily in money market funds, time deposits and certificate of deposits which may be withdrawn at any time at the discretion of the company without penalty. At December 31, 2014 and 2013, the company's cash equivalents principally have maturities of less than one month or can be withdrawn at any time at the discretion of the company without penalty. Due to the short maturities of these instruments, they are carried on the consolidated balance sheets at cost plus accrued interest, which approximates market value. Realized gains or losses during 2014, 2013 and 2012, as well as unrealized gains or losses at December 31, 2014 and 2013, were immaterial. Receivables are due from a large number of customers that are dispersed worldwide across many industries. At December 31, 2014 and 2013, the company had no significant concentrations of credit risk with any one customer. At December 31, 2014 and 2013, the company had approximately $94 million and $79 million, respectively, of receivables due from various U.S. federal governmental agencies. At December 31, 2014 and 2013, the carrying amount of cash and cash equivalents approximated fair value; and the carrying amount of long-term debt was less than the fair value, which is based on market prices (Level 2 inputs), of such debt by approximately $9 million and $15 million, respectively.

12. Foreign currency translation

Due to inflation rates in recent years, the company's Venezuelan subsidiary has applied highly inflationary accounting beginning January 1, 2010. For those international subsidiaries operating in highly inflationary economies, the U.S. dollar is the functional currency, and as such, nonmonetary assets and liabilities are translated at historical exchange rates, and monetary assets and liabilities are translated at current exchange rates. Exchange gains and losses arising from translation are included in other income (expense), net. Effective February 13, 2013, the Venezuelan government devalued its currency, the bolivar, by resetting the official exchange rate from 4.30 to the U.S. dollar to 6.30 to the U.S. dollar. As a result, the company recorded a pretax foreign exchange loss in 2013 of $6.5 million.

In January of 2014, the Venezuelan government announced that the exchange rate to be applied to the settlement of certain transactions, including foreign investments and royalties, would be changed to the Complementary System of Foreign Currency Administration (SICAD I) auction rate. As a result, the company changed the exchange rate used to remeasure its Venezuelan subsidiary's financial statements in U.S. dollars from the official rate of 6.3 bolivars to the new SICAD I rate. At December 31, the SICAD I exchange rate used was 12.0 bolivars to the U.S. dollar. The changes in the rate resulted in the company recording a pretax foreign exchange loss in 2014 of $7.4 million. The company believes that using the SICAD I exchange rate is economically representative of what it might expect to receive in a dividend transaction.

At December 31, 2014, the company's operations in Venezuela had net monetary assets denominated in local currency equivalent to approximately $8 million. As indicated above, the SICAD I exchange rate is determined by periodic auctions and, therefore, the potential exists for it to change significantly in future quarters. Additionally, the Venezuelan government may make further changes or introduce new exchange rate mechanisms, which could result in further changes in the exchange rate used by the company to remeasure its Venezuelan subsidiary's financial statements in U.S. dollars.

During the years ended December 31, 2014, 2013 and 2012, the company recognized foreign exchange (losses) gains in "Other income (expense), net" in its consolidated statements of income of $(7.0) million, $10.4 million and $(8.1) million, respectively.

13. Litigation and contingencies

There are various lawsuits, claims, investigations and proceedings that have been brought or asserted against the company, which arise in the ordinary course of business, including actions with respect to commercial and government contracts, labor and employment, employee benefits, environmental matters, intellectual property, and non-income tax and employment compensation in Brazil. The company records a provision for these matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Any provisions are reviewed at least quarterly and are adjusted to reflect the impact and status of settlements, rulings, advice of counsel and other information and events pertinent to a particular matter.

The company believes that it has valid defenses with respect to legal matters pending against it. Based on its experience, the company also believes that the damage amounts claimed in the lawsuits disclosed below are not a meaningful indicator of the company's potential liability. Litigation is inherently unpredictable, however, and it is possible that the company's results of operations or cash flow could be materially affected in any particular period by the resolution of one or more of the legal matters pending against it.

In April 2007, the Ministry of Justice of Belgium sued Unisys Belgium SA-NV, a Unisys subsidiary (Unisys Belgium), in the Court of First Instance of Brussels. The Belgian government had engaged the company to design and develop software for a computerized system to be used to manage the Belgian court system. The Belgian State terminated the contract and in its lawsuit has alleged that the termination was justified because Unisys Belgium failed to deliver satisfactory software in a timely manner. It claims damages of approximately 28 million Euros. Unisys Belgium filed its defense and counterclaim in April 2008, in the amount of approximately 18.5 million Euros. The company believes it has valid defenses to the claims and contends that the Belgian State's termination of the contract was unjustified.

In December 2007, Lufthansa AG sued Unisys Deutschland GmbH, a Unisys subsidiary (Unisys Germany), in the District Court of Frankfurt, Germany, for allegedly failing to perform properly its obligations during the initial phase of a 2004 software design and development contract relating to a Lufthansa customer loyalty program. Under the contract, either party was free to withdraw from the project at the conclusion of the initial design phase. Rather than withdraw, Lufthansa instead terminated the contract and failed to pay the balance owed to Unisys Germany for the initial phase. Lufthansa's lawsuit alleges that Unisys Germany breached the contract by failing to deliver a proper design for the new system and seeks approximately 21.4 million Euros in damages. The company believes it has valid defenses and filed its defense and a counterclaim in the amount of approximately 1.5 million Euros. In July 2013, the District Court issued a decision finding Unisys Germany liable for failing to perform its obligations under the initial phase of the contract. It also dismissed Unisys Germany's counterclaim. The District Court did not conduct the damage phase of the proceeding. Unisys Germany appealed the decision on liability in August 2013. In December 2014, the Appellate Court found that Lufthansa was not entitled to terminate the contract for breach and dismissed Lufthansa's 21.4 million Euros damages claim. It also dismissed Unisys Germany's 1.5 million Euros counterclaim, finding the contract required Unisys Germany to return to Lufthansa a 2.2 million Euros advance payment that Lufthansa made upon contract signing. Accordingly, the Appellate Court entered a judgment against Unisys Germany for 2.2 million Euros plus interest (currently estimated to be approximately 1.16 million Euros). Under the judgment, the court also awarded costs of approximately 240,000 Euros to Unisys. In January 2015, the parties agreed to settle the case by waiving their rights to seek permission from Germany's highest court to appeal and Unisys paying the amount due under the judgment. Unisys may either pay Lufthansa cash or, subject to further agreement of the parties, credits on a new project involving Unisys and Lufthansa.

The company's Brazilian operations, along with those of many other companies doing business in Brazil, are involved in various litigation matters, including numerous governmental assessments related to indirect and other taxes, as well as disputes associated with former employees and contract labor. The tax-related matters pertain to value added taxes, customs, duties, sales and other non-income related tax exposures. The labor-related matters include claims related to compensation matters. The company believes that appropriate accruals have been established for such matters based on information currently available. At December 31, 2014, excluding those matters that have been assessed by management as being remote as to the likelihood of ultimately resulting in a loss, the amount related to unreserved tax-related matters, inclusive of any related interest, is estimated to be up to approximately $127 million.

The company has been involved in a matter arising from the sale of its Health Information Management (HIM) business to Molina Information Systems, LLC (Molina) under a 2010 Asset Purchase Agreement (APA). The HIM business provided system solutions and services to state governments, including the state of Idaho, for administering Medicaid programs. In August 2012, Molina sued the company in Federal District Court in Delaware alleging breaches of contract, negligent misrepresentation and intentional misrepresentation with respect to the APA and the Medicaid contract with Idaho. Molina sought compensatory damages, punitive damages, lost profits, indemnification, and declaratory relief. Molina alleged losses of approximately $35 million in the complaint. In June 2013, the District Court granted the company's motion to dismiss the complaint and allowed Molina to replead certain claims and file an amended complaint. In August 2013, Molina filed an amended complaint. The company filed a motion to dismiss the amended complaint. On September 2, 2014, the District Court granted the company's motion to dismiss the negligent misrepresentation claim, but denied the company's motion with respect to Molina's intentional misrepresentation and breach of contract claims. The litigation continues on the remaining claims.

With respect to the specific legal proceedings and claims described above, except as otherwise noted, either (i) the amount or range of possible losses in excess of amounts accrued, if any, is not reasonably estimable or (ii) the company believes that the amount or range of possible losses in excess of amounts accrued that are estimable would not be material.

Litigation is inherently unpredictable and unfavorable resolutions could occur. Accordingly, it is possible that an adverse outcome from such matters could exceed the amounts accrued in an amount that could be material to the company's financial condition, results of operations and cash flows in any particular reporting period.

Notwithstanding that the ultimate results of the lawsuits, claims, investigations and proceedings that have been brought or asserted against the company are not currently determinable, the company believes that at December 31, 2014, it has adequate provisions for any such matters.

14. Segment information

The company has two business segments: Services and Technology. The products and services of each segment are marketed throughout the world to commercial businesses and governments. Revenue classifications by segment are as follows: Services – systems integration and consulting, outsourcing, infrastructure services and core maintenance; Technology – enterprise-class software and servers and other technology.

The accounting policies of each business segment are the same as those described in the summary of significant accounting policies. Intersegment sales and transfers are priced as if the sales or transfers were to third parties. Accordingly, the Technology segment recognizes intersegment revenue and manufacturing profit on hardware and software shipments to customers under Services contracts. The Services segment, in turn, recognizes customer revenue and marketing profit on such shipments of company hardware and software to customers. The Services segment also includes hardware and software products sourced from third parties that are sold to customers through the company's Services channels. In the company's consolidated statements of income, the manufacturing costs of products sourced from the Technology segment and sold to Services customers are reported in cost of revenue for Services.

Also included in the Technology segment's sales and operating profit are sales of hardware and software sold to the Services segment for internal use in Services engagements. The amount of such profit included in operating income of the Technology segment for the years ended December 31, 2014, 2013 and 2012, was $17.0 million, $6.0 million and $11.5 million, respectively. The profit on these transactions is eliminated in Corporate.

The company evaluates business segment performance based on operating income exclusive of pension income or expense, restructuring charges and unusual and nonrecurring items, which are included in Corporate. All other corporate and centrally incurred costs are allocated to the business segments based principally on revenue, employees, square footage or usage.

No single customer accounts for more than 10% of revenue. Revenue from various agencies of the U.S. Government, which is reported in both business segments, was approximately $529 million, $512 million and $523 million in 2014, 2013 and 2012, respectively.

Corporate assets are principally cash and cash equivalents, prepaid postretirement assets and deferred income taxes. The expense or income related to corporate assets is allocated to the business segments.

Customer revenue by classes of similar products or services, by segment, is presented below:

Year ended December 31 (millions)	**2014**	2013	2012
Services			
Systems integration and consulting	**$ 942.8**	$ 956.9	$ 1,079.3
Outsourcing	**1,412.7**	1,428.7	1,475.5
Infrastructure services	**347.4**	428.1	442.4
Core maintenance	**184.8**	182.4	195.2
	2,887.7	2,996.1	3,192.4
Technology			
Enterprise-class software and servers	**429.0**	402.7	480.3
Other technology	**39.7**	57.7	33.7
	468.7	460.4	514.0
Total	**$ 3,356.4**	$ 3,456.5	$ 3,706.4

Presented below is a reconciliation of segment operating income to consolidated income before income taxes:

Year ended December 31 (millions)	**2014**	2013	2012
Total segment operating income	**$ 233.6**	$ 309.6	$ 414.3
Interest expense	**(9.2)**	(9.9)	(27.5)
Other income (expense), net	**(.2)**	9.8	(37.6)
Corporate and eliminations	**(78.7)**	(90.1)	(95.1)
Total income before income taxes	**$ 145.5**	$ 219.4	$ 254.1

Presented below is a reconciliation of total business segment assets to consolidated assets:

December 31 (millions)	**2014**	2013	2012
Total segment assets	**$ 1,533.8**	$ 1,530.5	$ 1,469.1
Cash and cash equivalents	**494.3**	639.8	655.6
Deferred income taxes	**171.0**	136.4	184.3
Prepaid postretirement assets	**19.9**	83.7	3.3
Other corporate assets	**129.7**	119.6	108.1
Total assets	**$ 2,348.7**	$ 2,510.0	$ 2,420.4

A summary of the company's operations by business segment for 2014, 2013 and 2012 is presented below:

(millions)	Total	Corporate	Services	Technology
2014				
Customer revenue	$ 3,356.4		$ 2,887.7	$ 468.7
Intersegment		$ (112.3)	.4	111.9
Total revenue	$ 3,356.4	$ (112.3)	$ 2,888.1	$ 580.6
Operating income	$ 154.9	$ (78.7)	$ 122.7	$ 110.9
Depreciation and amortization	168.6		103.2	65.4
Total assets	2,348.7	814.9	1,099.2	434.6
Capital expenditures	212.8	4.9	133.8	74.1
2013				
Customer revenue	$ 3,456.5		$ 2,996.1	$ 460.4
Intersegment		$ (122.5)	1.7	120.8
Total revenue	$ 3,456.5	$ (122.5)	$ 2,997.8	$ 581.2
Operating income	$ 219.5	$ (90.1)	$ 186.7	$ 122.9
Depreciation and amortization	159.6		91.8	67.8
Total assets	2,510.0	979.5	1,126.7	403.8
Capital expenditures	151.4	2.9	78.8	69.7
2012				
Customer revenue	$ 3,706.4		$ 3,192.4	$ 514.0
Intersegment		$ (123.1)	3.8	119.3
Total revenue	$ 3,706.4	$ (123.1)	$ 3,196.2	$ 633.3
Operating income	$ 319.2	$ (95.1)	$ 204.6	$ 209.7
Depreciation and amortization	174.6		102.4	72.2
Total assets	2,420.4	951.3	1,085.9	383.2
Capital expenditures	132.6	3.7	64.7	64.2

Geographic information about the company's revenue, which is principally based on location of the selling organization, properties and outsourcing assets, is presented below:

Year ended December 31 (millions)	**2014**	2013	2012
Revenue			
United States	**$ 1,378.1**	$ 1,370.6	$ 1,455.0
United Kingdom	**435.4**	414.0	496.9
Other foreign	**1,542.9**	1,671.9	1,754.5
Total	**$ 3,356.4**	$ 3,456.5	$ 3,706.4
Properties, net			
United States	**$ 111.9**	$ 112.4	$ 112.7
United Kingdom	**22.0**	24.7	23.1
Other foreign	**34.8**	37.6	40.6
Total	**$ 168.7**	$ 174.7	$ 176.4
Outsourcing assets, net			
United States	**$ 99.7**	$ 56.2	$ 67.1
United Kingdom	**25.8**	28.1	30.3
Other foreign	**25.4**	31.2	28.9
Total	**$ 150.9**	$ 115.5	$ 126.3

15. Sale of business

On March 30, 2012, the company completed the sale of its interest in its South African joint venture and reported a pretax gain of $10.6 million, which was reported as a reduction of selling, general and administrative expense in the company's consolidated statement of income. Since the sale, the company has served this market through a distributor. The joint venture, which had operations in both of the company's reporting segments of Services and Technology, generated 2012 (through the date of sale) revenue and pretax income of $47.6 million and $7.6 million, respectively.

16. Employee plans

Stock plans Under stockholder approved stock-based plans, stock options, stock appreciation rights, restricted stock and restricted stock units may be granted to officers, directors and other key employees. At December 31, 2014, 2.7 million shares of unissued common stock of the company were available for granting under these plans.

As of December 31, 2014, the company has granted non-qualified stock options and restricted stock units under these plans. The company recognizes compensation cost net of a forfeiture rate in selling, general and administrative expenses, and recognizes the compensation cost for only those awards expected to vest. The company estimates the forfeiture rate based on its historical experience and its expectations about future forfeitures.

The company's employee stock option grants include a provision that, if termination of employment occurs after the participant has attained age 55 and completed 5 years of service with the company, the participant shall continue to vest in each of his or her awards in accordance with the vesting schedule set forth in the applicable award agreement. Compensation expense for such awards is recognized over the period to the date the employee first becomes eligible for retirement. Time-based restricted stock unit grants for the company's directors vest upon award and compensation expense for such awards is recognized upon grant.

Options have been granted to purchase the company's common stock at an exercise price equal to or greater than the fair market value at the date of grant, generally have a maximum duration of five years and become exercisable in annual installments over a three-year period following date of grant.

During the years ended December 31, 2014, 2013 and 2012, the company recognized $10.4 million, $12.5 million and $14.3 million of share-based compensation expense, which is comprised of $3.3 million, $3.2 million and $5.4 million of restricted stock unit expense and $7.1 million, $9.3 million and $8.9 million of stock option expense, respectively.

For stock options, the fair value is estimated at the date of grant using a Black-Scholes option pricing model. Principal assumptions used are as follows: (a) expected volatility for the company's stock price is based on historical volatility and implied market volatility, (b) historical exercise data is used to estimate the options' expected term, which represents the period of time that the options granted are expected to be outstanding, and (c) the risk-free interest rate is the rate on zero-coupon U.S. government issues with a remaining term equal to the expected life of the options. The company recognizes compensation expense for the fair value of stock options, which have graded vesting, on the straight-line basis over the requisite service period of the awards. The compensation expense recognized as of any date must be at least equal to the portion of the grant-date fair value that is vested at that date.

The fair value of stock option awards was estimated using the Black-Scholes option pricing model with the following assumptions and weighted-average fair values as follows:

Year Ended December 31		**2014**		2013		2012
Weighted-average fair value of grant	**$**	**11.24**	$	8.79	$	9.73
Risk-free interest rate		**1.04%**		.54%		.54%
Expected volatility		**45.65%**		50.19%		71.29%
Expected life of options in years		**3.71**		3.69		3.65
Expected dividend yield		**–**		–		–

A summary of stock option activity for the year ended December 31, 2014 follows (shares in thousands):

Options	Shares		Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)		Aggregate Intrinsic Value ($ in millions)
Outstanding at December 31, 2013	2,698	$	32.74			
Granted	756		32.20			
Exercised	(272)		14.25			
Forfeited and expired	(366)		70.30			
Outstanding at December 31, 2014	2,816		29.51	2.37	$	9.1
Expected to vest at December 31, 2014	1,335		27.37	3.49	$	4.7
Exercisable at December 31, 2014	1,456		31.47	1.31	$	4.4

The aggregate intrinsic value represents the total pretax value of the difference between the company's closing stock price on the last trading day of the period and the exercise price of the options, multiplied by the number of in-the-money stock options that would have been received by the option holders had all option holders exercised their options on December 31, 2014. The intrinsic value of the company's stock options changes based on the closing price of the company's stock. The total intrinsic value of options exercised for the years ended December 31, 2014, 2013 and 2012 was $4.7 million, $7.9 million and $.9 million, respectively. As of December 31, 2014, $3.2 million of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of 1.8 years.

Restricted stock unit awards may contain time-based units, performance-based units or a combination of both. Each performance-based unit will vest into zero to 1.5 shares depending on the degree to which the performance goals are met. Compensation expense resulting from these awards is recognized as expense ratably for each installment from the date of grant until the date the restrictions lapse and is based on the fair market value at the date of grant and the probability of achievement of the specific performance-related goals.

A summary of restricted stock unit activity for the year ended December 31, 2014 follows (shares in thousands):

	Restricted Stock Units		Weighted-Average Grant-Date Fair Value
Outstanding at December 31, 2013	401	$	23.45
Granted	397		32.16
Vested	(124)		26.76
Forfeited and expired	(320)		27.03
Outstanding at December 31, 2014	354		28.81

The fair value of restricted stock units is determined based on the trading price of the company's common shares on the date of grant. The aggregate weighted-average grant-date fair value of restricted stock units granted during the years ended December 31, 2014, 2013 and 2012 was $12.8 million, $5.3 million and $3.3 million, respectively. As of December 31, 2014, there was $2.0 million of total unrecognized compensation cost related to outstanding restricted stock units granted under the company's plans. That cost is expected to be recognized over a weighted-average period of 2.1 years. The aggregate weighted-average grant-date fair value of restricted stock units vested during the years ended December 31, 2014, 2013 and 2012 was $3.3 million, $4.5 million and $4.1 million, respectively.

Common stock issued upon exercise of stock options or upon lapse of restrictions on restricted stock units is newly issued shares. Cash received from the exercise of stock options was $3.4 million and $4.9 million for the years ended December 31, 2014 and 2013, respectively. During 2014 and 2013, the company did not recognize any tax benefits from the exercise of stock options or upon issuance of stock upon lapse of restrictions on restricted stock units because of its tax position. Any such tax benefits resulting from tax deductions in excess of the compensation costs recognized are classified as financing cash flows.

Defined contribution and compensation plans U.S. employees are eligible to participate in an employee savings plan. Under this plan, employees may contribute a percentage of their pay for investment in various investment alternatives. The company matches 50 percent of the first 6 percent of eligible pay contributed by participants to the plan on a before-tax basis (subject to IRS limits). In 2014, 2013 and 2012, the company funded the match with cash, a combination of cash and company common stock and company common stock, respectively. The charge to income related to the company match for the years ended December 31, 2014, 2013 and 2012, was $10.6 million, $11.8 million and $12.1 million, respectively.

The company has defined contribution plans in certain locations outside the United States. The charge to income related to these plans was $25.2 million, $26.7 million and $30.0 million, for the years ended December 31, 2014, 2013 and 2012, respectively.

The company has non-qualified compensation plans, which allow certain highly compensated employees and directors to defer the receipt of a portion of their salary, bonus and fees. Participants can earn a return on their deferred balance that is based on hypothetical investments in various investment vehicles. Changes in the market value of these investments are reflected as an adjustment to the liability with an offset to expense. As of December 31, 2014 and 2013, the liability to the participants of these plans was $12.1 million and $13.2 million, respectively. These amounts reflect the accumulated participant deferrals and earnings thereon as of that date. The company makes no contributions to the deferred compensation plans and remains contingently liable to the participants.

Retirement benefits For the company's more significant defined benefit pension plans, including the U.S. and the UK, accrual of future benefits under the plans has ceased.

Retirement plans' funded status and amounts recognized in the company's consolidated balance sheets at December 31, 2014 and 2013 follow:

	U.S. Plans		International Plans	
December 31 (millions)	**2014**	2013	**2014**	2013
Change in projected benefit obligation				
Benefit obligation at beginning of year	**$ 5,158.8**	$ 5,646.8	**$ 3,059.2**	$ 2,945.4
Service cost	**–**	–	**8.4**	10.4
Interest cost	**248.3**	220.4	**117.9**	106.6
Plan participants' contributions	**–**	–	**3.1**	3.1
Plan amendment	**(46.3)**	–	**(1.0)**	(6.3)
Plan curtailment	**–**	–	**(.3)**	–
Actuarial loss (gain)	**670.0**	(355.9)	**559.4**	(19.3)
Benefits paid	**(365.3)**	(352.5)	**(115.4)**	(100.8)
Foreign currency translation adjustments	**–**	–	**(276.4)**	120.1
Benefit obligation at end of year	**$ 5,665.5**	$ 5,158.8	**$ 3,354.9**	$ 3,059.2
Change in plan assets				
Fair value of plan assets at beginning of year	**$ 4,048.0**	$ 3,786.7	**$ 2,681.8**	$ 2,399.2
Actual return on plan assets	**299.9**	572.6	**278.0**	166.3
Employer contribution	**87.1**	41.2	**96.3**	106.0
Plan participants' contributions	**–**	–	**3.1**	3.1
Benefits paid	**(365.3)**	(352.5)	**(115.4)**	(100.8)
Foreign currency translation adjustments	**–**	–	**(224.9)**	108.0
Fair value of plan assets at end of year	**$ 4,069.7**	$ 4,048.0	**$ 2,718.9**	$ 2,681.8
Funded status at end of year	**$ (1,595.8)**	$ (1,110.8)	**$ (636.0)**	$ (377.4)
Amounts recognized in the consolidated balance sheets consist of:				
Prepaid postretirement assets	**$ –**	$ –	**$ 18.9**	$ 82.6
Other accrued liabilities	**(6.9)**	(6.9)	**(.2)**	(.2)
Long-term postretirement liabilities	**(1,588.9)**	(1,103.9)	**(654.7)**	(459.8)
Total funded status	**$ (1,595.8)**	$ (1,110.8)	**$ (636.0)**	$ (377.4)
Accumulated other comprehensive loss, net of tax				
Net loss	**$ 2,973.5**	$ 2,425.9	**$ 1,076.1**	$ 817.7
Prior service (credit) cost	**$ (44.5)**	$ 1.4	**$ (12.8)**	$ (16.0)
Accumulated benefit obligation	**$ 5,665.5**	$ 5,158.8	**$ 3,349.3**	$ 3,051.5

Information for defined benefit retirement plans with an accumulated benefit obligation in excess of plan assets at December 31, 2014 and 2013 follows:

December 31 (millions)	**2014**	2013
Accumulated benefit obligation	**$ 8,412.6**	$ 7,210.4
Fair value of plan assets	**6,167.2**	5,646.7

Information for defined benefit retirement plans with a projected benefit obligation in excess of plan assets at December 31, 2014 and 2013 follows:

December 31 (millions)	**2014**	2013
Projected benefit obligation	**$ 8,417.9**	$ 7,217.4
Fair value of plan assets	**6,167.2**	5,646.7

Net periodic pension cost for 2014, 2013 and 2012 includes the following components:

	U.S. Plans			International Plans		
Year ended December 31 (millions)	**2014**	2013	2012	**2014**	2013	2012
Service cost	**$ –**	$ –	$ –	**$ 8.4**	$ 10.4	$ 8.6
Interest cost	**248.3**	220.4	252.9	**117.9**	106.6	113.1
Expected return on plan assets	**(287.1)**	(291.5)	(285.7)	**(160.5)**	(141.9)	(136.1)
Amortization of prior service (credit)	**(.4)**	.7	.7	**(2.1)**	(2.1)	(.5)
Recognized net actuarial loss	**109.7**	139.0	124.0	**40.2**	51.9	36.9
Curtailment gain	**–**	–	–	**(.6)**	–	(5.7)
Net periodic pension cost	**$ 70.5**	$ 68.6	$ 91.9	**$ 3.3**	$ 24.9	$ 16.3

Weighted-average assumptions used to determine net periodic pension cost for the years ended December 31 were as follows:

	U.S. Plans			International Plans		
Year ended December 31 (millions)	**2014**	2013	2012	**2014**	2013	2012
Discount rate	**5.02%**	4.01%	4.96%	**4.15%**	3.92%	4.65%
Rate of compensation increase	**N/A**	N/A	N/A	**2.08%**	2.06%	2.66%
Expected long-term rate of return on assets	**7.72%**	8.00%	8.00%	**6.45%**	6.40%	6.59%
Weighted-average assumptions used to determine benefit obligations at December 31 were as follows:						
Discount rate	**4.09%**	5.02%	4.01%	**3.05%**	4.15%	3.92%
Rate of compensation increase	**N/A**	N/A	N/A	**1.68%**	2.08%	2.06%

The expected pretax amortization in 2015 of net periodic pension cost is as follows: net loss, $199.3 million; and prior service credit, $(4.4) million. The amortization of these items is recorded as an element of pension expense. In 2014, pension expense included amortization of $149.9 million of net losses and $(2.5) million of prior service credit.

The company's investment policy targets and ranges for each asset category are as follows:

	U.S.		Int'l.	
Asset Category	Target	Range	Target	Range
Equity securities	58%	52-64%	38%	32-44%
Debt securities	36%	33-39%	55%	48-62%
Real estate	6%	3-9%	1%	0-3%
Cash	0%	0-5%	1%	0-5%
Other	0%	0%	5%	0-10%

The company periodically reviews its asset allocation, taking into consideration plan liabilities, local regulatory requirements, plan payment streams and then-current capital market assumptions. The actual asset allocation for each plan is monitored at least quarterly, relative to the established policy targets and ranges. If the actual asset allocation is close to or out of any of the ranges, a review is conducted. Rebalancing will occur toward the target allocation, with due consideration given to the liquidity of the investments and transaction costs.

The objectives of the company's investment strategies are as follows: (a) to provide a total return that, over the long term, increases the ratio of plan assets to liabilities by maximizing investment return on assets, at a level of risk deemed appropriate, (b) to maximize return on assets by investing primarily in equity securities in the U.S. and for international plans by investing in appropriate asset classes, subject to the constraints of each plan design and local regulations, (c) to diversify investments within asset classes to reduce the impact of losses in single investments, and (d) for the U.S. plan to invest in compliance with the Employee Retirement Income Security Act of 1974 (ERISA), as amended and any subsequent applicable regulations and laws, and for international plans to invest in a prudent manner in compliance with local applicable regulations and laws.

The company sets the expected long-term rate of return based on the expected long-term return of the various asset categories in which it invests. The company considered the current expectations for future returns and the actual historical returns of each asset class. Also, since the company's investment policy is to actively manage certain asset classes where the potential exists to outperform the broader market, the expected returns for those asset classes were adjusted to reflect the expected additional returns.

In 2015, the company expects to make cash contributions of $128.8 million to its worldwide defined benefit pension plans, which is comprised of $76.2 million primarily for non-U.S. defined benefit pension plans and $52.6 million for the company's U.S. qualified defined benefit pension plan.

As of December 31, 2014, the following benefit payments, which reflect expected future service where applicable, are expected to be paid from the defined benefit pension plans:

Year ending December 31 (millions)	U.S.	Int'l.
2015	$ 362.7	$ 103.2
2016	363.7	106.0
2017	365.7	109.1
2018	366.4	112.0
2019	367.2	115.4
2020 - 2024	1,839.4	615.9

Other postretirement benefits A reconciliation of the benefit obligation, fair value of the plan assets and the funded status of the postretirement benefit plan at December 31, 2014 and 2013, follows:

December 31 (millions)	**2014**	2013
Change in accumulated benefit obligation		
Benefit obligation at beginning of year	**$ 159.7**	$ 180.5
Service cost	**.6**	.6
Interest cost	**7.6**	7.9
Plan participants' contributions	**4.6**	4.9
Actuarial gain	**(2.4)**	(11.5)
Federal drug subsidy	**1.4**	1.8
Benefits paid	**(20.0)**	(23.2)
Foreign currency translation and other adjustments	**(1.5)**	(1.3)
Benefit obligation at end of year	**$ 150.0**	$ 159.7
Change in plan assets		
Fair value of plan assets at beginning of year	**$ 9.2**	$ 9.7
Actual return on plan assets	**–**	(.2)
Employer contributions	**15.3**	18.0
Plan participants' contributions	**4.6**	4.9
Benefits paid	**(20.0)**	(23.2)
Fair value of plan assets at end of year	**$ 9.1**	$ 9.2
Funded status at end of year	**$ (140.9)**	$ (150.5)
Amounts recognized in the consolidated balance sheets consist of:		
Prepaid postretirement assets	**$ 1.0**	$ 1.1
Other accrued liabilities	**(15.6)**	(18.0)
Long-term postretirement liabilities	**(126.3)**	(133.6)
Total funded status	**$ (140.9)**	$ (150.5)
Accumulated other comprehensive loss, net of tax		
Net loss	**$ 32.0**	$ 36.7
Prior service cost	**1.2**	3.0

Net periodic postretirement benefit cost for 2014, 2013 and 2012, follows:

Year ended December 31 (millions)	**2014**	2013	2012
Service cost	**$ .6**	$ .6	$ .5
Interest cost	**7.6**	7.9	8.7
Expected return on assets	**(.5)**	(.5)	(.5)
Amortization of prior service cost	**1.7**	1.8	1.8
Recognized net actuarial loss	**1.7**	4.5	3.2
Net periodic benefit cost	**$11.1**	$14.3	$13.7
Weighted-average assumptions used to determine net periodic postretirement benefit cost for the years ended December 31 were as follows:			
Discount rate	**5.86%**	5.15%	5.84%
Expected return on plan assets	**6.75%**	6.75%	6.75%
Weighted-average assumptions used to determine benefit obligation at December 31 were as follows:			
Discount rate	**5.27%**	5.86%	5.15%

The expected pretax amortization in 2015 of net periodic postretirement benefit cost is as follows: net loss, $2.8 million; and prior service cost, $1.1 million.

The company reviews its asset allocation periodically, taking into consideration plan liabilities, plan payment streams and then-current capital market assumptions. The company sets the long-term expected return on asset assumption, based principally on the long-term expected return on debt securities. These return assumptions are based on a combination of current market conditions, capital market expectations of third-party investment advisors and actual historical returns of the asset classes.

In 2015, the company expects to contribute approximately $16 million to its postretirement benefit plan.

Assumed health care cost trend rates at December 31	**2014**	2013
Health care cost trend rate assumed for next year	**6.4%**	6.6%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	**4.8%**	4.8%
Year that the rate reaches the ultimate trend rate	**2023**	2023

A one-percentage-point change in assumed health care cost trend rates would have the following effects (in millions of dollars):

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on service and interest cost	$ .3	$ (.2)
Effect on postretirement benefit obligation	3.3	(4.4)

As of December 31, 2014, the following benefits are expected to be paid to or from the company's postretirement plan:

Year ending December 31 (millions)	Gross Medicare Part D Receipts	Gross Expected Payments
2015	$ 1.3	$ 19.6
2016	1.2	17.2
2017	1.1	16.6
2018	1.0	15.8
2019	.9	15.0
2020 – 2024	2.7	53.9

The following provides a description of the valuation methodologies and the levels of inputs used to measure fair value, and the general classification of investments in the company's U.S. and international defined benefit pension plans, and the company's other postretirement benefit plan.

Level 1 – These investments include cash, common stocks, real estate investment trusts, exchange traded funds, exchange traded futures, and U.S. and UK government securities. These investments are valued using quoted prices in an active market. Payables and receivables are also included as Level 1 investments and are valued at face value.

Level 2 – These investments include the following:

Pooled Funds – These investments are comprised of money market funds and fixed income securities. The money market funds are valued at Net Asset Value (NAV) of shares held by the plans at year-end. NAV is a practical expedient for fair value. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, divided by the number of units outstanding. The fixed income securities are valued based on quoted prices for identical or similar investments in markets that may not be active.

Commingled Funds – These investments are comprised of debt, equity and other securities and are valued using the NAV provided by trustees of the funds. The NAV is quoted on a private market that is not active. The unit price is based on underlying investments which are traded on markets that may or may not be active.

Other Fixed Income – These investments are comprised of corporate and government fixed income investments and asset and mortgage backed securities for which there are quoted prices for identical or similar investments in markets that may not be active.

Derivatives – These investments include forward exchange contracts and options, which are traded on an active market, but not on an exchange; therefore, the inputs may not be readily observable. These investments also include fixed income futures and other derivative instruments.

Level 3 – These investments include the following:

Real Estate and Private Equity – These investments represent interests in limited partnerships which invest in privately held companies or privately held real estate or other real assets. Due to the nature of these investments, pricing inputs are not readily observable. Asset valuations are developed by the general partners that manage the partnerships. These valuations are based on property appraisals, utilization of market transactions that provide valuation information for comparable companies, discounted cash flows, and other methods. These valuations are reported quarterly and adjusted as necessary at year end based on cash flows within the most recent period.

Insurance Contracts – These investments are insurance contracts which are generally invested in fixed income securities. The insurance contracts are carried at book value, are not publicly traded and are adjusted to fair value based on a market value adjustment (MVA) formula determined by the insurance provider. The MVA formula is based on unobservable inputs, which among other items take into consideration the yield earned by contributions during a specified time period, current bond yields and duration. Similar to bonds, as interest rates rise, the market value of the contracts will decrease and as interest rates decline, the market value will increase.

Commingled Funds – These investments are commingled funds, which include a fund of hedge funds, and a multi-asset fund. The NAV is quoted on a private market that is not active. The unit price is based on underlying investments, which are valued based on unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the plans' assets (liabilities) at fair value at December 31, 2014.

December 31, 2014 (millions)	U.S. Plans				International Plans			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Pension plans								
Equity Securities								
Common Stocks	$ 1,837.4	$ 1,831.6	$ 5.8		$ 1.6	$ 1.6		
Commingled Funds	461.6		461.6		1,054.8		$ 1,054.8	
Debt Securities								
U.S. and UK Govt. Securities	176.9	176.9						
Other Fixed Income	1,025.3		1,025.3		330.4		330.4	
Insurance Contracts	17.4			$ 17.4	135.5			$ 135.5
Commingled Funds					991.1		991.1	
Real Estate								
Real Estate Investment Trusts	169.1	169.1			1.3	1.3		
Real Estate	34.2			34.2	40.8			40.8
Other								
Derivatives	18.2	5.9	12.3		7.2		7.2	
Private Equity	12.8			12.8				
Commingled Funds	102.1		102.1		136.5		85.8	50.7
Pooled Funds	297.2		297.2		1.2		1.2	
Cash	(1.3)	(1.3)			18.6	18.6		
Receivables	77.4	77.4						
Payables	(158.6)	(158.6)			(.1)	(.1)		
Total	$ 4,069.7	$ 2,101.0	$ 1,904.3	$ 64.4	$ 2,718.9	$ 21.4	$ 2,470.5	$ 227.0
Other postretirement plans								
Insurance Contracts	$ 7.3			$ 7.3				
Pooled Funds	1.8		$ 1.8					
Total	$ 9.1		$ 1.8	$ 7.3				

The following table sets forth by level, within the fair value hierarchy, the plans' assets (liabilities) at fair value at December 31, 2013.

December 31, 2013 (millions)	U.S. Plans				International Plans			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Pension plans								
Equity Securities								
Common Stocks	$ 1,916.2	$ 1,916.2			$ 1.8	$ 1.8		
Commingled Funds	494.3		$ 494.3		1,046.7		$ 1,046.7	
Debt Securities								
U.S. and UK Govt. Securities	148.8	148.8						
Other Fixed Income	978.1		978.1		268.9		268.9	
Insurance Contracts	79.5			$ 79.5	151.3			$ 151.3
Commingled Funds					983.7		983.7	
Real Estate								
Real Estate Investment Trusts	145.7	145.7			1.3	1.3		
Real Estate	34.7			34.7	42.8			42.8
Other								
Derivatives	(4.2)	(4.5)	.3		19.1		19.1	
Private Equity	16.5			16.5				
Commingled Funds	93.3		93.3		141.0		90.8	50.2
Pooled Funds	236.1		236.1		3.2		3.2	
Cash	5.7	5.7			22.1	22.1		
Receivables	45.5	45.5						
Payables	(142.2)	(142.2)			(.1)	(.1)		
Total	$ 4,048.0	$ 2,115.2	$ 1,802.1	$ 130.7	$ 2,681.8	$ 25.1	$ 2,412.4	$ 244.3
Other postretirement plans								
Insurance Contracts	$ 7.5			$ 7.5				
Exchange Traded Fund – Bond	1.3	$ 1.3						
Pooled Funds	.4		$ .4					
Total	$ 9.2	$ 1.3	$ .4	$ 7.5				

The following table sets forth a summary of changes in the fair value of the plans' Level 3 assets for the year ended December 31, 2014.

(millions)	January 1, 2014	Realized gains (losses)	Purchases or acquisitions	Sales or dispositions	Currency and unrealized gains (losses) relating to instruments still held at December 31, 2014	December 31, 2014
U.S. plans						
Pension plan						
Real Estate	$ 34.7	$ 4.7		$ (4.9)	$ (.3)	$ 34.2
Private Equity	16.5	(24.4)		(6.7)	27.4	12.8
Insurance Contracts	79.5	.1		(63.0)	.8	17.4
Total	$ 130.7	$ (19.6)		$ (74.6)	$ 27.9	$ 64.4
Other postretirement plans						
Insurance Contracts	$ 7.5		$ .2	$ (.4)		$ 7.3
International pension plans						
Insurance Contracts	$ 151.3		$ 7.0	$ (13.0)	$ (9.8)	$ 135.5
Real Estate	42.8	$ (.2)	15.3	(15.5)	(1.6)	40.8
Commingled Funds	50.2	.1	1.0	(.3)	(.3)	50.7
Total	$ 244.3	$ (.1)	$ 23.3	$ (28.8)	$ (11.7)	$ 227.0

The following table sets forth a summary of changes in the fair value of the plans' Level 3 assets for the year ended December 31, 2013.

(millions)	January 1, 2013	Realized gains (losses)	Purchases or acquisitions	Sales or dispositions	Currency and unrealized gains (losses) relating to instruments still held at December 31, 2013	December 31, 2013
U.S. plans						
Pension plan						
Real Estate	$ 34.8	$ .5		$ (2.4)	$ 1.8	$ 34.7
Private Equity	20.8	(17.5)		(5.8)	19.0	16.5
Insurance Contracts	90.9			(6.7)	(4.7)	79.5
Total	$ 146.5	$ (17.0)		$ (14.9)	$ 16.1	$ 130.7
Other postretirement plans						
Insurance Contracts	$ 7.9	$ (.2)	$ .2	$ (.4)		$ 7.5
International pension plans						
Insurance Contracts	$ 146.7		$ 6.6	$ (12.7)	$ 10.7	$ 151.3
Real Estate	31.1		9.5		2.2	42.8
Commingled Funds	58.1	$ .4		(12.3)	4.0	50.2
Total	$ 235.9	$ .4	$ 16.1	$ (25.0)	$ 16.9	$ 244.3

17. Stockholders' equity

The company has 100 million authorized shares of common stock, par value $.01 per share, and 40 million shares of authorized preferred stock, par value $1 per share, issuable in series.

At December 31, 2014, 6.3 million shares of unissued common stock of the company were reserved for stock-based incentive plans.

On March 1, 2014, all of the outstanding shares of 6.25% mandatory convertible preferred stock (2,587,400 shares) were automatically converted (in accordance with its terms) into 6,912,756 shares of the company's common stock. Because March 1, 2014 was not a business day, the mandatory conversion was effected on Monday, March 3, 2014.

On December 10, 2012, the company announced that its Board of Directors had authorized the company to purchase up to an aggregate of $50 million of the company's common stock and mandatory convertible preferred stock through December 31, 2014. Through December 31, 2014, the company repurchased an aggregate of 2.2 million shares of common stock for approximately $47.3 million. At December 31, 2014, the Board's repurchase authorization expired.

Accumulated other comprehensive income (loss) as of December 31, 2014, 2013 and 2012, is as follows:

(millions)	Total	Translation Adjustments	Postretirement Plans
Balance at December 31, 2011	$ (3,700.9)	$ (649.1)	$ (3,051.8)
Other comprehensive income before reclassifications	(275.9)	14.8	(290.7)
Amounts reclassified from accumulated other comprehensive income	(156.8)	–	(156.8)
Current period other comprehensive income	(432.7)	14.8	(447.5)
Balance at December 31, 2012	(4,133.6)	(634.3)	(3,499.3)
Other comprehensive income before reclassifications	985.1	(42.5)	1,027.6
Amounts reclassified from accumulated other comprehensive income	(184.9)	–	(184.9)
Current period other comprehensive income	800.2	(42.5)	842.7
Balance at December 31, 2013	(3,333.4)	(676.8)	(2,656.6)
Other comprehensive income before reclassifications	(638.8)	(61.0)	(577.8)
Amounts reclassified from accumulated other comprehensive income	(141.2)	–	(141.2)
Current period other comprehensive income	(780.0)	(61.0)	(719.0)
Balance at December 31, 2014	$ (4,113.4)	$ (737.8)	$ (3,375.6)

Amounts related to postretirement plans not reclassified in their entirety out of accumulated other comprehensive income were as follows:

Year ended December 31 (millions)	**2014**	2013
Amortization of prior service cost*	**$ (.7)**	$ .4
Amortization of actuarial losses*	**148.3**	191.4
Curtailment gain*	**(.6)**	–
Total before tax	**147.0**	191.8
Income tax benefit	**(5.8)**	(6.9)
Net of tax	**$ 141.2**	$ 184.9

** These items are included in net periodic postretirement cost (see note 16).*

The following table summarizes the changes in preferred stock, common stock and treasury stock during the three years ended December 31, 2014:

(millions)	Preferred Stock	Common Stock	Treasury Stock
Balance at December 31, 2011	2.6	43.8	.3
Stock-based compensation	–	.5	.1
Balance at December 31, 2012	2.6	44.3	.4
Common stock repurchases	–	–	.6
Stock-based compensation	–	.8	.1
Balance at December 31, 2013	2.6	45.1	1.1
Common stock repurchases	–	–	1.6
Stock-based compensation	–	.4	–
Preferred stock conversion	(2.6)	6.9	–
Balance at December 31, 2014	–	52.4	2.7

Report of Management on the Financial Statements

The management of the company is responsible for the integrity of its financial statements. These statements have been prepared in conformity with U.S. generally accepted accounting principles and include amounts based on the best estimates and judgments of management. Financial information included elsewhere in this report is consistent with that in the financial statements.

KPMG LLP, an independent registered public accounting firm, has audited the company's financial statements. Its accompanying report is based on an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States).

The Board of Directors, through its Audit and Finance Committee, which is composed entirely of independent directors, oversees management's responsibilities in the preparation of the financial statements and selects the independent registered public accounting firm, subject to stockholder ratification. The Audit and Finance Committee meets regularly with the independent registered public accounting firm, representatives of management, and the internal auditors to review the activities of each and to assure that each is properly discharging its responsibilities. To ensure complete independence, the internal auditors and representatives of KPMG LLP have full access to meet with the Audit and Finance Committee, with or without management representatives present, to discuss the results of their audits and their observations on the adequacy of internal controls and the quality of financial reporting.

Peter Altabef
President and Chief Executive Officer

Janet Brutschea Haugen
Senior Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Unisys Corporation:

We have audited the accompanying consolidated balance sheets of Unisys Corporation and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, deficit and cash flows for each of the years in the three-year period ended December 31, 2014. We also have audited Unisys Corporation's internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Unisys Corporation's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Unisys Corporation and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also in our opinion, Unisys Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG LLP
Philadelphia, Pennsylvania
February 23, 2015

Report of Management on Internal Control Over Financial Reporting

The management of the company is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, we concluded that the company maintained effective internal control over financial reporting as of December 31, 2014, based on the specified criteria.

KPMG LLP, an independent registered public accounting firm, has audited the company's internal control over financial reporting as of December 31, 2014, as stated in their report that appears on the preceding page.

Peter Altabef
President and Chief Executive Officer

Janet Brutschea Haugen
Senior Vice President and Chief Financial Officer

Unisys Corporation

Supplemental Financial Data (Unaudited)

Quarterly financial information

(millions, except per share data)		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
2014						
Revenue		$ 761.7	$ 806.4	$ 882.5	$ 905.8	$ 3,356.4
Gross profit		133.0	165.2	234.9	244.7	777.8
Income (loss) before income taxes		(31.7)	11.0	77.6	88.6	145.5
Net income (loss) attributable to Unisys Corporation common shareholders		(53.5)	(12.1)	47.8	61.8	44.0
Earnings (loss) per common share attributable to Unisys Corporation						
Basic		(1.15)	(.24)	.95	1.24	.89
Diluted		(1.15)	(.24)	.95	1.24	.89
Market price per share	– high	36.05	31.71	25.65	30.65	36.05
	– low	28.46	21.97	19.96	18.72	18.72
2013						
Revenue		$ 809.9	$ 858.6	$ 792.1	$ 995.9	$ 3,456.5
Gross profit		160.8	200.7	171.5	315.4	848.4
Income (loss) before income taxes		(6.0)	49.5	23.5	152.4	219.4
Net income (loss) attributable to Unisys Corporation common shareholders		(33.9)	20.4	(11.6)	117.4	92.3
Earnings (loss) per common share attributable to Unisys Corporation						
Basic		(.77)	.47	(.26)	2.67	2.10
Diluted		(.77)	.46	(.26)	2.37	2.08
Market price per share	– high	24.73	22.96	28.25	34.78	34.78
	– low	17.11	15.68	22.02	23.00	15.68

The individual quarterly per-share amounts may not total to the per-share amount for the full year because of accounting rules governing the computation of earnings per share.

Market prices per share are as quoted on the New York Stock Exchange composite listing.

Five-year summary of selected financial data

(dollars in millions, except per share data)	**2014**	2013	2012 (1)	2011 (1)	2010
Results of operations					
Revenue	**$ 3,356.4**	$ 3,456.5	$ 3,706.4	$ 3,853.8	$ 4,019.6
Operating income	**154.9**	219.5	319.2	324.6	375.7
Income from continuing operations before income taxes	**145.5**	219.4	254.1	206.0	222.9
Net income attributable to noncontrolling interests	**12.6**	11.6	11.2	7.2	5.2
Net income attributable to Unisys Corporation common shareholders	**44.0**	92.3	129.4	120.5	236.1
Earnings per common share from continuing operations					
Basic	**.89**	2.10	2.95	2.79	3.74
Diluted	**.89**	2.08	2.84	2.71	3.67
Financial position					
Total assets	**$ 2,348.7**	$ 2,510.0	$ 2,420.4	$ 2,612.2	$ 3,020.9
Long-term debt	**222.2**	210.0	210.0	358.8	823.2
Deficit	**(1,452.4)**	(663.9)	(1,588.7)	(1,311.0)	(933.8)
Other data					
Capital additions of properties	**$ 53.3**	$ 47.2	$ 40.1	$ 42.2	$ 64.1
Capital additions of outsourcing assets	**85.9**	39.9	36.1	40.5	83.2
Investment in marketable software	**73.6**	64.3	56.4	51.7	55.8
Depreciation and amortization					
Properties	**52.0**	46.7	54.7	66.4	75.8
Outsourcing assets	**58.1**	53.5	57.9	62.7	111.9
Amortization of marketable software	**58.5**	59.4	62.0	65.7	62.9
Common shares outstanding (millions)	**49.7**	44.0	44.0	43.4	42.6
Stockholders of record (thousands)	**11.1**	11.8	17.0	18.6	19.1
Employees (thousands)	**23.2**	22.8	22.8	22.7	22.9

(1) Includes pretax losses on debt extinguishment of $30.6 million and $85.2 million for the years ended December 31, 2012 and 2011, respectively.

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

Unisys Corporation, the registrant, a Delaware company, has no parent. The registrant has the following subsidiaries:

Name of Company	State or Other Jurisdiction Under the Laws of Which Organized
Unisys Limited	United Kingdom
Intelligent Processing Solutions Limited	United Kingdom
Unisys Nederland N.V.	Netherlands

Pursuant to Item 601(b)(21)(ii) of Regulation S-K, subsidiaries of the Company have been omitted which, considered in the aggregate as a single subsidiary, would not have constituted a significant subsidiary (as defined in Rule 1-02(w) of Regulation S-X) as of December 31, 2014.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Unisys Corporation:

We consent to the incorporation by reference in the Registration Statements (No. 333-40012, 333-114718, 333-145429, 333-156569, 333-171004, 333-171005, 333-192040) on Form S-8 and in the Registration Statement (No. 333-181874) on Form S-3 and in the Registration Statement (No. 333-74745) on Form S-4 of Unisys Corporation of our report dated February 23, 2015, with respect to the consolidated balance sheets of Unisys Corporation as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, deficit and cash flows for each of the years in the three year period ended December 31, 2014, and the related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2014, which reports appear or are incorporated by reference in the December 31, 2014 Form 10-K of Unisys Corporation.

/s/ KPMG LLP
Philadelphia, Pennsylvania
February 23, 2015

Exhibit 24

POWER OF ATTORNEY
Unisys Corporation
Annual Report on Form 10-K for the year ended December 31, 2014

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below does hereby make, constitute and appoint PETER A. ALTABEF, JANET BRUTSCHEA HAUGEN and GERALD P. KENNEY, and each one of them severally, his true and lawful attorneys-in-fact and agents, for such person and in such person’s name, place and stead, to sign the Unisys Corporation Annual Report on Form 10-K for the year ended December 31, 2014, and any and all amendments thereto and to file such Annual Report on Form 10-K and any and all amendments thereto with the Securities and Exchange Commission, and does hereby grant unto such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as said person might or could do in person, hereby ratifying and confirming all that such attorney-in-fact and agents and each of them may lawfully do or cause to be done by virtue hereof.

Dated: February 5, 2015

/s/ Peter A. Altabef	/s/ Denise K. Fletcher
Peter A. Altabef President and Chief Executive Officer; Director	Denise K. Fletcher Director
/s/ Jared L. Cohon	/s/ Leslie F. Kenne
Jared L. Cohon Director	Leslie F. Kenne Director
/s/ Alison Davis	/s/ Lee D. Roberts
Alison Davis Director	Lee D. Roberts Director
/s/ Nathaniel A. Davis	/s/ Paul E. Weaver
Nathaniel A. Davis Director	Paul E. Weaver Chairman of Board

Exhibit 31.1

CERTIFICATION

I, Peter A. Altabef, certify that:

1. I have reviewed this annual report on Form 10-K of Unisys Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2015

	/s/ Peter A. Altabef
Name:	Peter A. Altabef
Title:	President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Janet Brutschea Haugen, certify that:

1. I have reviewed this annual report on Form 10-K of Unisys Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2015

/s/ Janet Brutschea Haugen

Name: Janet Brutschea Haugen
Title: Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PERIODIC REPORT

I, Peter A. Altabef, President and Chief Executive Officer of Unisys Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2014 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 23, 2015

/s/ Peter A. Altabef
Peter A. Altabef
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF PERIODIC REPORT

I, Janet Brutschea Haugen, Senior Vice President and Chief Financial Officer of Unisys Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2014 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 23, 2015

/s/ Janet Brutschea Haugen
Janet Brutschea Haugen
Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.