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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015

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
(State or other jurisdiction of
incorporation or organization)

38-0387840
(I.R.S. Employer
Identification No.)

801 Lakeview Drive, Suite 100
Blue Bell, Pennsylvania
(Address of principal executive offices)

19422
(Zip Code)

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

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 (§232.405 of this chapter) 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller 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 Exchange Act). YES NO

Number of shares of Common Stock outstanding as of March 31, 2015: 49,918,193.

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements.

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Millions)

	March 31, 2015	December 31, 2014
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 402.0	\$ 494.3
Accounts and notes receivable, net	484.8	619.3
Inventories:		
Parts and finished equipment	29.0	22.2
Work in process and materials	31.3	24.5
Deferred income taxes	16.6	16.4
Prepaid expenses and other current assets	142.4	140.6
Total	<u>1,106.1</u>	<u>1,317.3</u>
Properties	1,004.7	1,059.4
Less-Accumulated depreciation and amortization	837.4	890.7
Properties, net	<u>167.3</u>	<u>168.7</u>
Outsourcing assets, net	160.1	150.9
Marketable software, net	144.5	144.1
Prepaid postretirement assets	21.4	19.9
Deferred income taxes	152.4	154.6
Goodwill	179.6	183.9
Other long-term assets	200.1	209.3
Total	<u>\$ 2,131.5</u>	<u>\$ 2,348.7</u>
<u>Liabilities and deficit</u>		
Current liabilities		
Current maturities of long-term-debt	\$ 2.2	\$ 1.8
Accounts payable	230.3	262.5
Deferred revenue	316.6	348.3
Other accrued liabilities	314.2	385.1
Total	<u>863.3</u>	<u>997.7</u>
Long-term debt	221.6	222.2
Long-term postretirement liabilities	2,272.1	2,369.9
Long-term deferred revenue	109.7	119.5
Other long-term liabilities	86.1	91.8
Commitments and contingencies		
Deficit		
Common stock, shares issued: 2015; 52.6, 2014; 52.4	.5	.5
Accumulated deficit	(1,779.0)	(1,735.8)
Treasury stock, shares at cost: 2015; 2.7, 2014; 2.7	(100.0)	(99.6)
Paid-in capital	4,495.7	4,488.3
Accumulated other comprehensive loss	(4,049.4)	(4,113.4)
Total Unisys stockholders' deficit	<u>(1,432.2)</u>	<u>(1,460.0)</u>
Noncontrolling interests	10.9	7.6
Total deficit	<u>(1,421.3)</u>	<u>(1,452.4)</u>
Total	<u>\$ 2,131.5</u>	<u>\$ 2,348.7</u>

See notes to consolidated financial statements.

UNISYS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Millions, except per share data)

	Three Months Ended March 31	
	2015	2014
Revenue		
Services	\$ 639.0	\$ 681.7*
Technology	82.2	80.0*
	<u>721.2</u>	<u>761.7</u>
Costs and expenses		
Cost of revenue:		
Services	564.3	583.6*
Technology	39.9	45.1*
	<u>604.2</u>	<u>628.7</u>
Selling, general and administrative	128.8	138.5
Research and development	18.2	14.4
	<u>751.2</u>	<u>781.6</u>
Operating loss	(30.0)	(19.9)
Interest expense	2.6	2.0
Other income (expense), net	4.9	(9.8)
Loss before income taxes	(27.7)	(31.7)
Provision for income taxes	13.3	16.0
Consolidated net loss	(41.0)	(47.7)
Net income attributable to noncontrolling interests	2.2	3.1
Net loss attributable to Unisys Corporation	(43.2)	(50.8)
Preferred stock dividend	—	2.7
Net loss attributable to Unisys Corporation common shareholders	<u>\$ (43.2)</u>	<u>\$ (53.5)</u>
Loss per common share attributable to Unisys Corporation		
Basic	<u>\$ (.87)</u>	<u>\$ (1.15)</u>
Diluted	<u>\$ (.87)</u>	<u>\$ (1.15)</u>

* Changed to conform to the current-year presentation. See note (e).

See notes to consolidated financial statements.

UNISYS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(Millions)

	Three Months Ended March 31	
	2015	2014
Consolidated net loss	\$ (41.0)	\$ (47.7)
Other comprehensive income		
Foreign currency translation	(44.7)	14.9
Postretirement adjustments, net of tax of \$(14.0) in 2015 and \$(.7) in 2014	109.8	32.6
Total other comprehensive income	65.1	47.5
Comprehensive income (loss)	24.1	(.2)
Less comprehensive income attributable to noncontrolling interests	(3.3)	(4.1)
Comprehensive income (loss) attributable to Unisys Corporation	<u>\$ 20.8</u>	<u>\$ (4.3)</u>

See notes to consolidated financial statements.

UNISYS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Millions)

	Three Months Ended	
	March 31	
	2015	2014
Cash flows from operating activities		
Consolidated net loss	\$ (41.0)	\$ (47.7)
Add (deduct) items to reconcile consolidated net loss to net cash (used for) provided by operating activities:		
Foreign currency transaction losses	—	5.8
Employee stock compensation	4.4	7.2
Depreciation and amortization of properties	11.7	12.0
Depreciation and amortization of outsourcing assets	12.7	13.3
Amortization of marketable software	16.3	14.7
Other non-cash operating activities	(.1)	(.1)
Disposal of capital assets	1.4	.3
Gain on sale of business	—	(.7)
Pension contributions	(38.7)	(55.5)
Pension expense	27.9	19.5
(Increase) decrease in deferred income taxes, net	(4.4)	2.8
Decrease in receivables, net	106.8	121.2
(Increase) decrease in inventories	(15.1)	3.0
Decrease in accounts payable and other accrued liabilities	(106.4)	(66.0)
Decrease in other liabilities	(11.1)	(9.6)
Increase in other assets	(7.7)	(.1)
Net cash (used for) provided by operating activities	<u>(43.3)</u>	<u>20.1</u>
Cash flows from investing activities		
Proceeds from investments	1,153.4	1,431.6
Purchases of investments	(1,126.7)	(1,429.0)
Investment in marketable software	(16.7)	(20.7)
Capital additions of properties	(13.9)	(15.2)
Capital additions of outsourcing assets	(26.7)	(8.7)
Other	1.5	.9
Net cash used for investing activities	<u>(29.1)</u>	<u>(41.1)</u>
Cash flows from financing activities		
Proceeds from exercise of stock options	3.5	2.6
Payments of long-term debt	(.3)	—
Common stock repurchases	—	(.9)
Dividends paid on preferred stock	—	(4.0)
Net cash provided by (used for) financing activities	<u>3.2</u>	<u>(2.3)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(23.1)</u>	<u>(2.7)</u>
Decrease in cash and cash equivalents	(92.3)	(26.0)
Cash and cash equivalents, beginning of period	494.3	639.8
Cash and cash equivalents, end of period	<u>\$ 402.0</u>	<u>\$ 613.8</u>

See notes to consolidated financial statements.

Unisys Corporation
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

In the opinion of management, the financial information furnished herein reflects all adjustments necessary for a fair presentation of the financial position, results of operations, comprehensive income and cash flows for the interim periods specified. These adjustments consist only of normal recurring accruals except as disclosed herein. Because of seasonal and other factors, results for interim periods are not necessarily indicative of the results to be expected for the full year.

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.

The company's accounting policies are set forth in detail in note 1 of the notes to the consolidated financial statements in the company's Annual Report on Form 10-K for the year ended December 31, 2014 filed with the Securities and Exchange Commission. Such Annual Report also contains a discussion of the company's critical accounting policies. The company believes that these critical accounting policies affect its more significant estimates and judgments used in the preparation of the company's consolidated financial statements. There have been no changes in the company's critical accounting policies from those disclosed in the company's Annual Report on Form 10-K for the year ended December 31, 2014.

a. Earnings per Common Share. The following table shows how the loss per common share attributable to Unisys Corporation was computed for the three months ended March 31, 2015 and 2014 (dollars in millions, shares in thousands):

	Three Months Ended March 31,	
	2015	2014
Basic Loss Per Common Share		
Net loss attributable to Unisys Corporation common shareholders	\$ (43.2)	\$ (53.5)
Weighted average shares	49,821	46,343
Total	<u>\$ (.87)</u>	<u>\$ (1.15)</u>
Diluted Loss Per Common Share		
Net loss attributable to Unisys Corporation common shareholders	<u>\$ (43.2)</u>	<u>\$ (53.5)</u>
Weighted average shares	49,821	46,343
Plus incremental shares from assumed conversions of employee stock plans	—	—
Adjusted weighted average shares	<u>49,821</u>	<u>46,343</u>
Total	<u>\$ (.87)</u>	<u>\$ (1.15)</u>

In the three months ended March 31, 2015 and 2014, the following weighted-average number of stock options and restricted stock units were antidilutive and therefore excluded from the computation of diluted earnings per share (in thousands): 3,350 and 3,619, respectively. In the three months ended March 31, 2014, the following weighted-average number of mandatory convertible preferred stock was antidilutive and therefore excluded from the computation of diluted earnings per share (in thousands): 1,754.

b. Pension and Postretirement Benefits. Net periodic pension expense for the three months ended March 31, 2015 and 2014 is presented below (in millions of dollars):

	Three Months Ended March 31, 2015			Three Months Ended March 31, 2014		
	Total	U.S.	Int'l.	Total	U.S.	Int'l.
		Plans	Plans		Plans	Plans
Service cost	\$ 2.2	\$ —	\$ 2.2	\$ 2.4	\$ —	\$ 2.4
Interest cost	79.9	56.1	23.8	92.3	62.5	29.8
Expected return on plan assets	(102.7)	(63.7)	(39.0)	(112.7)	(72.0)	(40.7)
Amortization of prior service (benefit) cost	(1.1)	(.6)	(.5)	(.3)	.2	(.5)
Recognized net actuarial loss	49.6	33.7	15.9	37.8	27.8	10.0
Net periodic pension expense	<u>\$ 27.9</u>	<u>\$ 25.5</u>	<u>\$ 2.4</u>	<u>\$ 19.5</u>	<u>\$ 18.5</u>	<u>\$ 1.0</u>

In 2015, the company expects to make cash contributions of approximately \$130.8 million to its worldwide defined benefit pension plans, which are comprised of \$78.2 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. In 2014, the company made cash contributions of \$183.4 million to its worldwide defined benefit pension plans. For the three months ended March 31, 2015 and 2014, \$38.7 million and \$55.5 million, respectively, of cash contributions have been made.

Net periodic postretirement benefit expense for the three months ended March 31, 2015 and 2014 is presented below (in millions of dollars):

	Three Months Ended March 31,	
	2015	2014
Service cost	\$.1	\$.2
Interest cost	1.7	2.0
Expected return on assets	(.1)	(.1)
Amortization of prior service cost	.3	.4
Recognized net actuarial loss	.7	.8
Net periodic postretirement benefit expense	<u>\$ 2.7</u>	<u>\$ 3.3</u>

The company expects to make cash contributions of approximately \$16 million to its postretirement benefit plan in 2015 compared with \$15.3 million in 2014. For the three months ended March 31, 2015 and 2014, \$3.5 million and \$2.7 million, respectively, of cash contributions have been made.

c. Fair Value Measurements. 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 March 31, 2015 and 2014, the notional amount of these contracts was \$350.9 million and \$486.0 million, respectively. At March 31, 2015 and 2014, the fair value of such contracts was a net gain of \$4.2 million and \$1.6 million, respectively, of which \$4.7 million and \$1.8 million, respectively, has been recognized in "Prepaid expenses and other current assets" and \$.5 million and \$.2 million, respectively, has been recognized in "Other accrued liabilities" in the company's consolidated balance sheet at both March 31, 2015 and 2014. For the three months ended March 31, 2015 and 2014, changes in the fair value of these instruments were a net gain of \$25.6 million and \$2.4 million, respectively, 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 assets with carrying values approximating fair value include cash and cash equivalents and accounts receivable. Financial liabilities with carrying

values approximating fair value include accounts payable and other accrued liabilities. The carrying amounts of these financial assets and liabilities approximate fair value due to their short maturities. At March 31, 2015 and December 31, 2014, 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 \$12 million and \$9 million, respectively.

d. Stock Options. 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 March 31, 2015, 2.2 million shares of unissued common stock of the company were available for granting under these plans.

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:

	Three Months Ended March 31,	
	2015	2014
Weighted-average fair value of grant	\$ 9.12	\$ 11.28
Risk-free interest rate	1.28%	1.04%
Expected volatility	45.46%	45.65%
Expected life of options in years	4.92	3.71
Expected dividend yield	—	—

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 2.0 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.

The company records all share-based expense in selling, general and administrative expense.

During the three months ended March 31, 2015 and 2014, the company recorded \$4.4 million and \$7.2 million of share-based compensation expense, respectively, which is comprised of \$1.8 million and \$2.1 million of restricted stock unit expense and \$2.6 million and \$5.1 million of stock option expense, respectively.

A summary of stock option activity for the three months ended March 31, 2015 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, 2014	2,816	\$ 29.51		
Granted	651	23.81		
Exercised	(181)	19.53		
Forfeited and expired	(442)	35.00		
Outstanding at March 31, 2015	2,844	27.99	3.45	\$ 1.7
Expected to vest at March 31, 2015	1,301	26.56	4.83	.4
Exercisable at March 31, 2015	1,469	29.37	2.11	1.3

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 March 31, 2015. 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 three months ended March 31, 2015 and 2014 was \$.6 million and \$4.5 million, respectively. As of March 31, 2015, \$6.5 million of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of 2.3 years.

A summary of restricted stock unit activity for the three months ended March 31, 2015 follows (shares in thousands):

	Restricted Stock Units	Weighted- Average Grant-Date Fair Value
Outstanding at December 31, 2014	354	\$ 28.81
Granted	384	23.01
Vested	(73)	24.60
Forfeited and expired	(159)	31.53
Outstanding at March 31, 2015	<u>506</u>	24.14

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 three months ended March 31, 2015 and 2014 was \$8.8 million and \$12.6 million, respectively. As of March 31, 2015, there was \$8.6 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 2.7 years. The aggregate weighted-average grant-date fair value of restricted share units vested during the three months ended March 31, 2015 and 2014 was \$1.8 million and \$2.0 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 for the three months ended March 31, 2015 and 2014 was \$3.5 million and \$2.6 million, respectively. The company is currently not recognizing any tax benefits from the exercise of stock options or upon issuance of stock upon lapse of restrictions on restricted stock units in light of its tax position. Tax benefits resulting from tax deductions in excess of the compensation costs recognized are classified as financing cash flows.

e. Segment Information. Effective January 1, 2015, the company changed the grouping of certain of its classes of products and services. As a result, certain revenue (principally company technology products) previously reported in the company's Services segment is now reported in its Technology segment. As a result, prior-periods segment revenue and cost of sales, as well as customer revenue by classes of similar products and services, have been reclassified to conform to the current-year period.

The company has two business segments: Services and Technology. Revenue classifications within the Services segment are as follows:

- Cloud & infrastructure services. This represents revenue from work the company performs in the data center and cloud area, technology consulting and technology-based systems integration projects, as well as global service desks and global field services.
- Application services. This represents revenue from application managed services and application development, maintenance and support work.
- Business processing outsourcing services. This represents revenue from the management of clients' specific business processes.

The accounting policies of each business segment are the same as those followed by the company as a whole. 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 profits on such shipments of company hardware and software to customers. The Services segment also includes the sale of 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 three months ended March 31, 2015 and 2014 was \$1.5 million and \$0.4 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.

A summary of the company's operations by business segment for the three-month periods ended March 31, 2015 and 2014 is presented below (in millions of dollars):

	<u>Total</u>	<u>Corporate</u>	<u>Services</u>	<u>Technology</u>
<u>Three Months Ended March 31, 2015</u>				
Customer revenue	\$721.2		\$639.0	\$ 82.2
Intersegment		\$ (6.7)	—	6.7
Total revenue	<u>\$721.2</u>	<u>\$ (6.7)</u>	<u>\$639.0</u>	<u>\$ 88.9</u>
Operating income (loss)	<u>\$ (30.0)</u>	<u>\$ (26.1)</u>	<u>\$ (8.5)</u>	<u>\$ 4.6</u>
<u>Three Months Ended March 31, 2014</u>				
Customer revenue	\$761.7		\$681.7	\$ 80.0
Intersegment		\$ (6.1)	.2	5.9
Total revenue	<u>\$761.7</u>	<u>\$ (6.1)</u>	<u>\$681.9</u>	<u>\$ 85.9</u>
Operating income (loss)	<u>\$ (19.9)</u>	<u>\$ (16.2)</u>	<u>\$ 10.4</u>	<u>\$ (14.1)</u>

Presented below is a reconciliation of total business segment operating loss to consolidated loss before income taxes (in millions of dollars):

	<u>Three Months Ended March 31</u>	
	<u>2015</u>	<u>2014</u>
Total segment operating loss	\$ (3.9)	\$ (3.7)
Interest expense	(2.6)	(2.0)
Other income (expense), net	4.9	(9.8)
Corporate and eliminations	(26.1)	(16.2)
Total loss before income taxes	<u>\$ (27.7)</u>	<u>\$ (31.7)</u>

Customer revenue by classes of similar products or services, by segment, is presented below (in millions of dollars):

	<u>Three Months Ended March 31</u>	
	<u>2015</u>	<u>2014</u>
Services		
Cloud & infrastructure services	\$ 378.5	\$ 419.4
Application services	202.4	196.2
Business processing outsourcing services	58.1	66.1
	<u>639.0</u>	<u>681.7</u>
Technology	<u>82.2</u>	<u>80.0</u>
Total	<u>\$ 721.2</u>	<u>\$ 761.7</u>

Geographic information about the company's revenue, which is principally based on location of the selling organization, is presented below (in millions of dollars):

	Three Months Ended March 31	
	2015	2014
United States	\$ 342.0	\$ 311.3
United Kingdom	87.9	96.3
Other foreign	291.3	354.1
Total	<u>\$ 721.2</u>	<u>\$ 761.7</u>

f. Accumulated Other Comprehensive Income. Accumulated other comprehensive loss as of December 31, 2014 and March 31, 2015 is as follows (in millions of dollars):

	Total	Translation Adjustments	Postretirement Plans
Balance at December 31, 2014	\$ (4,113.4)	\$ (737.8)	\$ (3,375.6)
Other comprehensive income before reclassifications	18.8	(40.5)	59.3
Amounts reclassified from accumulated other comprehensive income	45.2	—	45.2
Current period other comprehensive income	64.0	(40.5)	104.5
Balance at March 31, 2015	<u>\$ (4,049.4)</u>	<u>\$ (778.3)</u>	<u>\$ (3,271.1)</u>

Amounts related to postretirement plans not reclassified in their entirety out of accumulated other comprehensive income for the three months ended March 31, 2015 and 2014 were as follows (in millions of dollars):

	Three Months Ended March 31	
	2015	2014
Amortization of prior service cost*	\$ (8)	\$ —
Amortization of actuarial losses*	48.3	38.0
Total before tax	47.5	38.0
Income tax benefit	(2.3)	(1.4)
Net of tax	<u>\$ 45.2</u>	<u>\$ 36.6</u>

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

Noncontrolling interests as of December 31, 2014 and March 31, 2015 is as follows (in millions of dollars):

	Noncontrolling Interests
Balance at December 31, 2014	\$ 7.6
Net income	2.2
Translation adjustments	(4.2)
Postretirement plans	5.3
Balance at March 31, 2015	<u>\$ 10.9</u>

g. Supplemental Cash Flow Information. Cash paid, net of refunds, during the three months ended March 31, 2015 and 2014 for income taxes was \$26.3 million and \$13.2 million, respectively.

Cash paid during the three months ended March 31, 2015 and 2014 for interest was \$6.7 million and \$6.6 million, respectively.

h. Commitments 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.

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 March 31, 2015, 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 \$108 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 March 31, 2015, it has adequate provisions for any such matters.

i. 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.

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.

A full valuation allowance is currently maintained for all U.S. and certain foreign deferred tax assets in excess of deferred tax liabilities. The company will record a tax provision or benefit for those international subsidiaries that do not have a full valuation allowance against their net deferred tax assets. Any profit or loss recorded for the company's U.S. continuing operations will have no provision or benefit associated with it due to 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 depending on the geographic distribution of income.

j. Foreign Currency Translation. 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 SICAD I rate. The change in rate resulted in the company recording a pretax foreign exchange loss in the first quarter of 2014 of \$5.8 million.

In February 2015, the Venezuelan government merged two supplementary foreign currency exchange systems, SICAD I and SICAD II, into a single mechanism called SICAD. The company believes that using the SICAD exchange rate is economically representative of what it might expect to receive in a dividend transaction.

At March 31, 2015, the company's operations in Venezuela had net monetary assets denominated in local currency of approximately \$8 million. As indicated above, the SICAD 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.

k. Stockholder's Equity. 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.

l. Accounting Standards. In May of 2014, the Financial Accounting Standards Board 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The company's revenue and margins in the current quarter were impacted by lower services revenue. This resulted in a net loss attributable to Unisys Corporation common shareholders in the current quarter of \$43.2 million, or a loss of \$.87 per diluted share, compared with first-quarter 2014 net loss attributable to Unisys Corporation common shareholders of \$53.5 million, or \$1.15 per diluted share.

In connection with organizational initiatives designed to create a more competitive cost structure and rebalance the company's global skill set, the company expects to recognize a pretax restructuring charge currently estimated at approximately \$300 million over the next several quarters. The company expects to reduce worldwide headcount by approximately eight percent and will also be reducing its facilities footprint. As a result of these actions, the company expects to generate annualized savings of approximately \$200 million by the end of 2016.

Results of operations

Company results

Revenue for the quarter ended March 31, 2015 was \$721.2 million compared with \$761.7 million for the first quarter of 2014, a decrease of 5% from the prior year. Foreign currency fluctuations had a 6 percentage-point negative impact on revenue in the current period compared with the year-ago period.

Services revenue decreased 6% and Technology revenue increased 3% in the current quarter compared with the year-ago period. The increase in the company's technology revenue was due to higher sales of the company's proprietary enterprise software and servers. U.S. revenue increased 10% in the first quarter compared with the year-ago period. International revenue decreased 16% in the current quarter due to declines in all geographic areas. Foreign currency had an 11 percentage-point negative impact on international revenue in the three months ended March 31, 2015 compared with the three months ended March 31, 2014.

Total gross profit margin was 16.2% in the three months ended March 31, 2015 compared with 17.5% in the three months ended March 31, 2014. The decline principally reflected higher pension expense.

Selling, general and administrative expense in the three months ended March 31, 2015 was \$128.8 million (17.9% of revenue) compared with \$138.5 million (18.2% of revenue) in the year-ago period.

Research and development (R&D) expenses in the first quarter of 2015 were \$18.2 million compared with \$14.4 million in the first quarter of 2014.

For the first quarter of 2015, the company reported an operating loss of \$30.0 million compared with an operating loss of \$19.9 million in the first quarter of 2014. Pension expense was \$8.4 million higher in the first quarter of 2015 compared with the first quarter of 2014.

For the three months ended March 31, 2015, pension expense was \$27.9 million compared with pension expense of \$19.5 million for the three months ended March 31, 2014. For the full year 2015, the company expects to recognize pension expense of approximately \$111 million compared with \$73.8 million for the full year of 2014. 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 principally based on where the salaries of active employees are charged.

Interest expense for the three months ended March 31, 2015 was \$2.6 million compared with \$2.0 million for the three months ended March 31, 2014.

Other income (expense), net was income of \$4.9 million in the first quarter of 2015 compared with expense of \$9.8 million in 2014. Included in the first quarter of 2015 were foreign exchange gains of \$3.4 million. Included in the first quarter of 2014 were foreign exchange losses of \$9.1 million, including \$5.8 million related to Venezuela.

The loss before income taxes for the three months ended March 31, 2015 was \$27.7 million compared with a loss of \$31.7 million for the three months ended March 31, 2014.

The provision for income taxes was \$13.3 million in the current quarter compared with \$16.0 million in the year-ago period. As discussed in Note (i) of the Notes to Consolidated Financial Statements, 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 records a tax provision or benefit for those international subsidiaries that do not have a full valuation allowance against their net deferred tax assets. Any profit or loss recorded for the company's U.S. operations has no provision or benefit associated with it due to a full valuation allowance. As a result, the company's provision or benefit for taxes may vary significantly quarter to quarter depending on the geographic distribution of income.

Segment results

Effective January 1, 2015, the company changed the grouping of certain of its classes of products and services. As a result, certain revenue (principally company technology products) previously reported in the company's Services segment is now reported in its Technology segment. As a result, prior-periods segment revenue and cost of sales, as well as customer revenue by classes of similar products and services, have been reclassified to conform to the current-year period.

The company has two business segments: Services and Technology. Revenue classifications within the Services segment are as follows:

- Cloud & infrastructure services. This represents revenue from work the company performs in the data center and cloud area, technology consulting and technology-based systems integration projects, as well as global service desks and global field services.
- Application services. This represents revenue from application managed services and application development, maintenance and support work.
- Business processing outsourcing services. This represents revenue from the management of clients' specific business processes.

The accounting policies of each business segment are the same as those followed by the company as a whole. 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 profits on such shipments of company hardware and software to customers. The Services segment also includes the sale of 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 three months ended March 31, 2015 and 2014 was \$1.5 million and \$.4 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.

Information by business segment is presented below (in millions of dollars):

	<u>Total</u>	<u>Eliminations</u>	<u>Services</u>	<u>Technology</u>
<u>Three Months Ended March 31, 2015</u>				
Customer revenue	\$721.2		\$639.0	\$ 82.2
Intersegment		\$ (6.7)	—	6.7
Total revenue	\$721.2	\$ (6.7)	\$639.0	\$ 88.9
Gross profit percent	16.2%		14.1%	49.6%
Operating profit (loss) percent	(4.2)%		(1.3)%	5.2%
<u>Three Months Ended March 31, 2014</u>				
Customer revenue	\$761.7		\$681.7	\$ 80.0
Intersegment		\$ (6.1)	.2	5.9
Total revenue	\$761.7	\$ (6.1)	\$681.9	\$ 85.9
Gross profit percent	17.5%		15.8%	41.3%
Operating profit (loss) percent	(2.6)%		1.5%	(16.4)%

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

Customer revenue by classes of similar products or services, by segment, is presented below (in millions of dollars):

	<u>Three Months Ended March 31</u>		<u>Percent Change</u>
	<u>2015</u>	<u>2014</u>	
Services			
Cloud & infrastructure services	\$378.5	\$419.4	(9.8)%
Application services	202.4	196.2	3.2%
Business processing outsourcing services	58.1	66.1	(12.1)%
	639.0	681.7	(6.3)%
Technology	82.2	80.0	2.8%
Total	\$721.2	\$761.7	(5.3)%

In the Services segment, customer revenue was \$639.0 million for the three months ended March 31, 2015, down 6.3% from the three months ended March 31, 2014. Foreign currency translation had a 6 percentage-point negative impact on Services revenue in the current quarter compared with the year-ago period.

Revenue from cloud & infrastructure services was \$378.5 million in the March 2015 quarter down 9.8% compared with the March 2014 quarter. Unfavorable foreign currency exchange rate changes were the most significant driver behind the decline.

Application services revenue increased 3.2% for the three month period ended March 31, 2015 compared with the three month period ended March 31, 2014. New contract wins at the company's U.S. Federal business was a major contributor to the increase.

Business processing outsourcing services revenue decreased 12.1% in the current quarter compared with the prior-year quarter.

Services gross profit was 14.1% in the first quarter of 2015 compared with 15.8% in the year-ago period. Services operating income (loss) percent was (1.3)% in the three months ended March 31, 2015 compared with 1.5% in the three months ended March 31, 2014. Both gross profit and operating profit margins were impacted by start-up costs on new multi-year engagements, as well as lower project work in existing services accounts.

In the Technology segment, customer revenue increased 2.8% to \$82.2 million in the current quarter compared with \$80.0 million in the year-ago period, due to higher ClearPath revenue. Foreign currency translation had a 10 percentage-point negative impact on Technology revenue in the current quarter compared with the year-ago period.

Technology gross profit was 49.6% in the current quarter compared with 41.3% in the year-ago quarter. Technology operating income (loss) percent was 5.2% in the three months ended March 31, 2015 compared with (16.4)% in the three months ended March 31, 2014. The increases reflect higher sales of the company's proprietary enterprise software and servers in the current quarter.

New accounting pronouncements

See note (I) 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 near-term cash requirements.

Cash and cash equivalents at March 31, 2015 were \$402.0 million compared with \$494.3 million at December 31, 2014.

As of March 31, 2015, \$303.2 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.

During the three months ended March 31, 2015, cash used for operations was \$43.3 million compared with cash provided by operations of \$20.1 million for the three months ended March 31, 2014. Cash provided by operations during the first quarter of 2015 was positively impacted by a decrease in cash contributions to the company's defined benefit pension plans. During the first quarter of 2015, the company contributed cash of \$38.7 million to such plans compared with \$55.5 million during the first quarter of 2014.

Cash used for investing activities for the three months ended March 31, 2015 was \$29.1 million compared with cash usage of \$41.1 million during the three months ended March 31, 2014. Net proceeds of investments were \$26.7 million for the three months ended March 31, 2015 compared with net proceeds of \$2.6 million in the prior-year period. Proceeds from investments and purchases of investments represent derivative financial instruments used to reduce the company's currency exposure to market risks from changes in foreign currency exchange rates. In addition, in the current quarter, the investment in marketable software was \$16.7 million compared with \$20.7 million in the year-ago period, capital additions of properties were \$13.9 million in 2015 compared with \$15.2 million in 2014 and capital additions of outsourcing assets were \$26.7 million in 2015 compared with \$8.7 million in 2014. The higher capital expenditures largely reflected increased investments in new outsourcing agreements.

Cash provided by financing activities during the three months ended March 31, 2015 was \$3.2 million compared with cash used of \$2.3 million during the three months ended March 31, 2014.

At March 31, 2015, total debt was \$223.8 million compared with \$224.0 million at December 31, 2014. On April 1, 2015, the company entered into a secured borrowing whereby it received \$31.8 million of cash secured by an account receivable. The \$31.8 million will be reported as debt in the second quarter.

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 March 31, 2015, the company had no borrowings and \$18.8 million of letters of credit outstanding under the facility. At March 31, 2015, availability under the facility was \$120.7 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 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 March 31, 2015, the company has met all covenants and conditions under its various lending and funding agreements. The company expects to continue to meet these covenants and conditions.

In 2015, the company expects to make cash contributions of approximately \$131 million to its worldwide defined benefit pension plans, which is comprised of \$78 million primarily for non-U.S. defined benefit pension plans and \$53 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 February of 2018, 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 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.

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 improve margins in its services business. The company's ability to grow profitably in this business will depend on the level of demand for 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 driving efficiencies across all of its operations. The company has begun to implement 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.

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, dissatisfaction with the company's efficiency initiatives, 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 services contracts, 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 services 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 services 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 \$130.8 million, which is comprised of \$52.6 million for the company's U.S. qualified defined benefit pension plan and \$78.2 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 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 (h) 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in the company's assessment of its sensitivity to market risk since its disclosure in its Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Item 4. Controls and Procedures

The company's management, with the participation of the company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on this evaluation, the company's Chief Executive Officer and Chief Financial Officer concluded that, as of the end of such period, the company's disclosure controls and procedures are effective. Such evaluation did not identify any change in the company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to litigation is set forth in Note (h) of the Notes to Consolidated Financial Statements, and such information is incorporated herein by reference.

Item 1A. Risk Factors

See "Factors that may affect future results" in Management's Discussion and Analysis of Financial Condition and Results of Operations for a discussion of risk factors.

Item 6. Exhibits

(a) Exhibits

See Exhibit Index

SIGNATURES

Pursuant to the requirements 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.

Date: April 30, 2015

UNISYS CORPORATION

By: /s/ Janet Brutschea Haugen
Janet Brutschea Haugen
Senior Vice President and Chief Financial Officer (Principal Financial Officer)

By: /s/ William M. Reinheimer
William M. Reinheimer
(Principal Accounting Officer)

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
3.1	Restated Certificate of Incorporation of Unisys Corporation (incorporated by reference to Exhibit 3.1 to the registrant'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 registrant's Current Report on Form 8-K filed on April 28, 2011)
3.3	Bylaws of Unisys Corporation, as amended through April 30, 2015
12	Statement of Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends
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.DEF XBRL	Taxonomy Extension Definition Linkbase Document

UNISYS CORPORATION

BYLAWS

ARTICLE I

Stockholders

SECTION 1. Annual Meeting of Stockholders.

The Board of Directors may fix the date, time and place of the annual meeting of stockholders, but if no such date and time is fixed and designated by the Board of Directors, the annual meeting of stockholders shall be held on the last Thursday in April in each year. At the annual meeting, the stockholders then entitled to vote shall elect directors and shall transact such other business as may properly be brought before the meeting.

SECTION 2. Special Meetings of Stockholders.

Subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, special meetings of the stockholders for any purpose may be called only by a majority of the entire Board of Directors.

SECTION 3. Stockholder Action.

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

SECTION 4. Place of Meeting.

All meetings of the stockholders of the Corporation shall be held at such place as shall be designated by the Board of Directors in the notice of such meeting.

SECTION 5. Notice of Business to be Transacted.

(a) Annual Meetings.

(1) Nominations of persons for election to the Board of Directors of the Corporation shall be made pursuant to Article II, Section 5 of these bylaws. The proposal of business other than director nominations to be transacted by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice with respect to such meeting, (b) by or at the direction of the Board of Directors, or (c) by any stockholder of the Corporation who was a

stockholder of record at the time of giving of the notice provided for in these bylaws, who is entitled to vote at the meeting and who has complied with the notice procedures set forth in this section.

(2) For business other than director nominations to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (1) of this section, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such business must be a proper matter for stockholder action under the Delaware General Corporation Law (the "GCL"). To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 90 days prior to the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that in the event that the date of the annual meeting is more than 30 days prior to or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the 90th day prior to such annual meeting or later than the 7th day following the day on which notice of the date of such meeting is first given. Such stockholder's notice shall set forth (a) as to any business that the stockholder proposes to bring before the meeting, a brief description of such business, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (b) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Only such business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this section and, with respect to the election of directors, Article II, Section 5. The chairman of the meeting shall determine whether any business proposed to be transacted by the stockholders has been properly brought before the meeting and, if any proposed business has not been properly brought before the meeting, the chairman shall declare that such proposed business shall not be presented for stockholder action at the meeting.

(b) Special Meetings. Nominations of persons for election to the Board of Directors may be made by stockholders at special meetings of stockholders at which directors are to be selected pursuant to the stockholders' notice requirements of Article II, Section 5 of these bylaws. Stockholders shall not propose business at any special meetings of stockholders.

(c) Proxy Rules. Nothing in this Section 5 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Securities Exchange Act of 1934.

SECTION 6. Quorum, Manner of Acting and Adjournment and Postponement.

(a) Quorum, Adjournment and Postponement. The holders of a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders except as otherwise provided by the GCL, by the certificate of incorporation or by these bylaws. Whether or not a quorum is present or represented at any meeting of the stockholders, the chairman of the meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting. At any such adjourned meeting at which a quorum is present or represented, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. The stockholders present in person or by proxy at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding withdrawal of enough stockholders to leave less than a quorum. Any meeting of stockholders, whether special or annual, may be postponed by resolution of the Board of Directors upon public notice given prior to the date of such meeting.

(b) Manner of Acting. In all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote thereon shall be the act of the stockholders, unless the question is one upon which, by express provision of the applicable statute, the certificate of incorporation or these bylaws, a different vote is required in which case such express provision shall govern and control the decision of the question.

SECTION 7. Required Vote for Directors

(a) Required Vote. Each director to be elected by stockholders shall be elected by the vote of the majority of the votes cast at any meeting for the election of directors at which a quorum is present, provided that if the number of nominees exceeds the number of directors to be elected, directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. For purposes of this bylaw, a majority of votes cast shall mean that the number of shares voted "for" a director's election exceeds 50% of the number of votes cast with respect to that director's election. Votes cast shall include votes to withhold authority in each case and exclude abstentions with respect to that director's election.

(b) Resignation. If a nominee for director who is an incumbent director does not receive the vote required by Article I, Section 7(a) of these bylaws at any meeting at which he or she has been nominated for election and no successor has been elected at such meeting, the director shall promptly tender his or her resignation to the Board of Directors in accordance with the irrevocable undertaking specified in Article I, Section 8 of these bylaws or any other commitment, undertaking or agreement of such director. The Nominating and Corporate Governance Committee (or such other committee as the Board of Directors may appoint in accordance with Article II, Section 10 of these bylaws) shall make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board of Directors

shall act on the tendered resignation, taking into account the Nominating and Corporate Governance Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Nominating and Corporate Governance Committee in making its recommendation, and the Board of Directors in making its decision, may each consider any factors or other information that it considers appropriate and relevant. The director who tenders his or her resignation shall not participate in the recommendation of the Nominating and Corporate Governance Committee or the decision of the Board of Directors with respect to his or her resignation. If such incumbent director's resignation is not accepted by the Board of Directors, such director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal. If a director's resignation is accepted by the Board of Directors pursuant to this bylaw, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Article II, Section 3 of these bylaws or may decrease the size of the Board of Directors pursuant to the provisions of Article II, Section 1 of these bylaws.

SECTION 8. Directors' Questionnaire, Representation and Agreement.

To be eligible to be a nominee for election or reelection as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Article II, Section 5 of these bylaws) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request), which agreement shall (i) include an irrevocable undertaking to tender his or her resignation in the event that such director does not receive the vote required by Article I, Section 7(a) of these bylaws at any meeting at which he or she has been nominated for election and no successor has been elected at such meeting and (ii) provide that such person (A) will abide by the requirements of Article I, Sections 7(a) and (b) of these bylaws, (B) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (C) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, and (D) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

SECTION 9. Organization and Conduct of Business.

At every meeting of the stockholders, the Chairman of the Board, if there be one, or in the case of a vacancy in the office or absence of the Chairman of the Board, one of the following persons present in the order stated: the Vice Chairman, if one has been appointed, the Chief Executive Officer, the President, the Vice Presidents in their order of rank or seniority, a chairman designated by the Board of Directors or a chairman chosen by the stockholders entitled to cast a majority of the votes which all stockholders present in person or by proxy are entitled to cast, shall act as chairman, and the Secretary, or, in the absence of the Secretary, an Assistant Secretary, or in the absence of the Secretary and the Assistant Secretaries, a person appointed by the chairman, shall act as secretary. The chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as may seem to him in order.

SECTION 10. Voting.

(a) General Rule. Unless otherwise provided in the certificate of incorporation, each stockholder shall be entitled to one vote, in person or by proxy, for each share of capital stock having voting power held by such stockholder.

(b) Voting and Other Action by Proxy. At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this paragraph may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

All voting, except where otherwise required by law, these bylaws or the certificate of incorporation, may be by a voice vote. Any vote not taken by voice shall be taken by ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting.

SECTION 11. Voting Lists.

The Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting. The list shall be arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time

thereof, and may be inspected by any stockholder who is present. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

SECTION 12. Inspectors of Election.

(a) Appointment. All elections of directors shall be by written ballot. In advance of any meeting of stockholders the Board of Directors shall appoint one or more inspectors to act at the meeting. No person who is a candidate for office shall act as an inspector. In case any person appointed as an inspector fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the Board of Directors in advance of the convening of the meeting, or at the meeting by the chairman of the meeting.

(b) Duties. Inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies and ballots, shall receive votes or ballots, shall hear and determine all challenges and questions in any way arising in connection with the right to vote, shall count and tabulate all votes and ballots, shall determine and certify the result, and shall do such acts as may be proper to conduct the election or vote with fairness to all stockholders. If there be more than one inspector of election, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all.

(c) Report. On request of the chairman of the meeting or of any stockholder or his proxy, the inspectors shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them.

(d) Opening and Closing of Polls. The date and time of the opening and closing of the polls for each matter to be voted upon at the meeting shall be determined by the chairman of the meeting and announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery in Delaware upon application by a stockholder shall determine otherwise.

ARTICLE II

Directors

SECTION 1. Number.

The business and affairs of the Corporation shall be managed under the direction of the Board of Directors which, subject to any right of the holders of any series of Preferred Stock then outstanding to elect additional directors under specified circumstances, shall consist of not less than 7 nor more than 15 persons. The exact number of directors within the minimum and maximum limitations specified in the preceding sentence shall be fixed from time to time by the Board of Directors pursuant to a resolution adopted by a majority of the entire Board of Directors.

SECTION 2. Terms.

The directors, other than those who may be elected by the holders of any series of Preferred Stock, shall, commencing with the Annual Meeting of Stockholders scheduled to be held in calendar year 2011 (the "2011 Annual Meeting"), be elected at each Annual Meeting of Stockholders for a term expiring at the next Annual Meeting of Stockholders following their election and shall remain in office until their successors shall have been elected and qualified or until their earlier death, resignation, retirement, disqualification or removal. The term of office of each director serving on the Board of Directors immediately prior to the election of directors at the 2011 Annual Meeting (other than any directors elected by holders of Preferred Stock) shall expire at the 2011 Annual Meeting, notwithstanding that any such director may have been elected for a term that extended beyond the date of the 2011 Annual Meeting, but such director may remain in office beyond the expiration of such term expiring at the 2011 Annual Meeting until a successor is elected and qualified or until such director's earlier death, resignation, retirement, disqualification or removal.

SECTION 3. Newly Created Directorships and Vacancies.

Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled by a majority vote of the directors then in office, even if less than a quorum. Any director so chosen (other than a director elected by holders of Preferred Stock) shall hold office for a term expiring at the next Annual Meeting of Stockholders following his or her election and shall remain in office until such director's successor shall have been elected and qualified or until such director's earlier death, resignation, retirement, disqualification or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

SECTION 4. Removal.

Subject to the rights of the holders of any series of Preferred Stock then outstanding, any director, or the entire Board of Directors, may be removed from office at any time, with or without cause, by the affirmative vote of the holders of at least 80% of the voting power of all of the shares of the Corporation entitled to vote thereon, voting together as a single class.

SECTION 5. Nomination of Director Candidates.

(a) Nominations of candidates for election as directors of the Corporation at any meeting of stockholders called for election of directors (an "Election Meeting") may be made by the Board of Directors or by any stockholder entitled to vote at such Election Meeting.

(b) Nominations made by the Board of Directors shall be made at a meeting of the Board of Directors, or by written consent of directors in lieu of a meeting, not less than 30 days prior to the date of the Election Meeting, and such nomination shall be reflected in the minute books of the Corporation as of the date made. At the request of the Secretary of the Corporation each proposed nominee shall provide the Corporation with such information concerning himself as is required, under the rules of the Securities and Exchange Commission, to be included in the Corporation's proxy statement soliciting proxies for his election as a director.

(c) Not less than 90 days prior to the date of the Election Meeting in the case of an annual meeting, and not more than 7 days following the date of notice of the meeting in the case of a special meeting, any stockholder who intends to make a nomination at the Election Meeting shall deliver a notice to the Secretary of the Corporation setting forth (i) the name, age, business address and residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of each such nominee, (iii) the number of shares of capital stock of the Corporation which are beneficially owned by each such nominee, (iv) a statement that the nominee is willing to be nominated and (v) such other information concerning each such nominee as would be required, under the rules of the Securities and Exchange Commission, in a proxy statement soliciting proxies for the election of such nominees.

(d) In the event that a person is validly designated as a nominee in accordance with paragraph (b) or paragraph (c) hereof and shall thereafter become unable or unwilling to stand for election to the Board of Directors, the Board of Directors or the stockholder who proposed such nominee, as the case may be, may designate a substitute nominee.

(e) If the Chairman of the Election Meeting determines that a nomination was not made in accordance with the foregoing procedures, such nominations shall be void.

No person shall be elected a director of the Corporation after having attained the age of seventy-two years.

SECTION 6. Organization.

At every meeting of the Board of Directors, the Chairman of the Board or, in the case of a vacancy in the office or absence of the Chairman of the Board, a chairman chosen by a majority of the directors present, shall preside, and the Secretary, or, in the absence of the Secretary, an Assistant Secretary, or in the absence of the Secretary and the Assistant Secretaries, any person appointed by the chairman of the meeting, shall act as secretary.

SECTION 7. Regular Meetings.

Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

SECTION 8. Special Meetings.

Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board or by three or more of the directors and shall be held at such place, on such date and at such time as they or he shall fix.

SECTION 9. Quorum, Manner of Acting and Adjournment.

(a) General Rule. One-half of the total number of directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except (1) as may be otherwise specifically provided by the GCL or by the certificate of incorporation; and (2) for any amendment to these bylaws, which shall require the vote of not less than a majority of the directors then in office. If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without further waiver or notice other than announcement at the meeting, until a quorum is present.

(b) Unanimous Written Consent. Unless otherwise restricted by the certificate of incorporation, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if all members of the Board consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

(c) Conference Telephone Meetings. One or more directors of the Board of Directors may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in this manner constitutes presence in person at the meeting.

SECTION 10. Committees of the Board of Directors.

(a) Establishment and Powers. The Board of Directors may, by resolution adopted by a majority of the whole Board, establish one or more committees, each committee to consist of one or more directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee and the alternate or alternates, if any, designated for such member, the member or members of the committee present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member. Subject to the provisions of the GCL, committees established by the Board of Directors shall have such

power and authority as provided by resolution of the board. Each committee so formed shall have such name as may be determined from time to time by resolution adopted by the Board of Directors and shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

(b) Committee Procedures and Conduct of Business. Each committee of the Board of Directors may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings of committees. A majority of the members of any committee shall constitute a quorum unless the committee shall consist of one (1) or two (2) members, in which event one (1) member and two (2) members, respectively, shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of such committee.

SECTION 11. Compensation of Directors.

Unless otherwise restricted by the certificate of incorporation, the Board of Directors shall have the authority to fix the fees and other compensation of directors.

SECTION 12. Chairman of the Board

The Board of Directors shall elect the Chairman of the Board from among the members of the board. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors and shall perform such other duties as may from time to time be assigned to him or her by the Board of Directors.

ARTICLE III

Notice - Waivers - Meetings

SECTION 1. Notice, What Constitutes.

Whenever, under the provisions of the GCL or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, such notice may be given in writing, by mail or by telegram (with messenger service specified), telex or TWX (with answerback received) or courier service, charges prepaid, or by facsimile transmission to the address (or to the telex, TWX, facsimile or telephone number) of the person appearing on the books of the Corporation, or in the case of directors, supplied to the Corporation for the purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be deemed to be given when deposited in the United States mail or with a telegraph office or courier service for delivery to that person or, in the case of telex or TWX, when dispatched, or in the case of facsimile transmission, when electronically received.

SECTION 2. Notice of Meetings of Board of Directors.

Notice of a regular meeting of the Board of Directors need not be given. Notice of every special meeting of the Board of Directors shall be given to each director by telephone or in writing at least 24 hours (in the case of notice by telephone, telex, TWX or facsimile transmission) or 48 hours (in the case of notice by telegraph, courier service or express mail) or five days (in the case of notice by first class mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

SECTION 3. Notice of Meetings of Stockholders.

Written notice of the place, date and hour of every meeting of the stockholders, whether annual or special, shall be given to each stockholder of record entitled to vote at the meeting not less than ten nor more than 60 days before the date of the meeting and shall state the purpose or purposes thereof. If the notice is sent by mail, it shall be deemed to have been given when deposited in the United States mail, postage prepaid, directed to the stockholder at the address of the stockholder as it appears on the records of the Corporation.

SECTION 4. Waivers of Notice.

(a) Written Waiver. Whenever notice is required to be given under any provisions of the GCL or the certificate of incorporation or these bylaws, a written waiver, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice of such meeting.

(b) Waiver by Attendance. Attendance of a person at a meeting, either in person or by proxy, shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE IV

Officers

SECTION 1. Number, Qualifications and Designation.

The officers of the Corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer, a President, one or more Vice Presidents, a Secretary, a Treasurer, a Controller and such other officers as may be elected in accordance with the provisions of Section 3 of this Article IV. Any number of offices may be held by the same person.

SECTION 2. Election and Term of Office.

The officers of the Corporation, except those appointed by delegated authority pursuant to section 3 of this Article IV, shall be elected annually by the Board of Directors, and each such officer shall hold office for a term of one year and until a successor is elected and qualified, or until his or her earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Any officer may be removed from office at any time by the affirmative written vote of a majority of the directors then in office. Notwithstanding anything to the contrary in these by-laws and regardless of whether the officer has tendered his/her resignation, an officer's term of office and employment shall terminate on the first day of the month following the officer's attainment of age sixty-five unless, in the case of any particular officer, the Board of Directors shall have determined otherwise.

SECTION 3. Other Officers, Committees and Agents.

The Board of Directors may from time to time elect such other officers, which may include, at the Board's discretion, the Chairman of the Board and a Vice Chairman, and appoint such committees, employees or other agents as it deems necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as are provided in these bylaws, or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any officer or committee the power to appoint subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees, employees or other agents.

SECTION 4. The Chief Executive Officer.

The Chief Executive Officer shall have general responsibility for the management and control of the business of the Corporation, shall perform all duties and have all powers that are commonly incident to the office of Chief Executive Officer and shall perform such other duties as may from time to time be assigned to him or her by the Board of Directors.

SECTION 5. The President.

The President shall perform such duties as from time to time may be assigned by the Board of Directors or by the Chief Executive Officer.

SECTION 6. The Vice Presidents.

The Vice Presidents shall perform such duties as may from time to time be assigned to each and any of them by the Board of Directors or by the Chief Executive Officer. A Vice President or Vice Presidents may have such additional designations as the Board may approve.

SECTION 7. The Secretary.

The Secretary, or an Assistant Secretary, shall attend all meetings of the stockholders, the Board of Directors and committees thereof and shall record the proceedings of the stockholders and of the directors and of committees of the Board in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the Corporation as required by law; shall be the custodian of the seal of the Corporation and see that it is affixed to all documents to be executed on behalf of the Corporation under its seal; and, in general, shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned by the Board of Directors or by the Chief Executive Officer.

SECTION 8. The Treasurer.

The Treasurer, or an Assistant Treasurer, shall have or provide for the custody of the funds or other property of the Corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the Corporation; shall deposit all funds in his or her custody as Treasurer in such banks or other places of deposit as the Board of Directors may from time to time designate; whenever so required by the Board of Directors, shall render an account showing his or her transactions as Treasurer and the financial condition of the Corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the Board of Directors or by the Chief Executive Officer.

SECTION 9. The Controller.

The Controller shall provide and maintain financial and accounting controls over the business and affairs of the Corporation. He or she shall maintain adequate records of the assets, liabilities and financial transactions of the Corporation, and shall direct the preparation of financial statements, reports and analyses. He or she shall perform all acts incident to the position of Controller subject to the control of the Board of Directors and the Chief Executive Officer.

SECTION 10. General Counsel.

The Corporation may have a General Counsel who shall be appointed by resolution of the Board of Directors and who shall have general supervision of all matters of a legal nature concerning the Corporation.

SECTION 11. Officers' Bonds.

No officer of the Corporation need provide a bond to guarantee the faithful discharge of the officer's duties unless the Board of Directors shall by resolution so require a bond in which event such officer shall give the Corporation a bond (which shall be renewed if and as required) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of office.

SECTION 12. Compensation.

The compensation of the officers of the Corporation elected by the Board of Directors shall be fixed from time to time by the Board of Directors or a committee thereof designated for such purpose.

ARTICLE V

Certificates of Stock, Transfer, Etc.

SECTION 1. Form and Issuance.

(a) Issuance and Form. The shares of the capital stock of the Corporation shall be represented by certificates in such form as shall be approved by the Board of Directors or shall be uncertificated shares. To the extent that shares are represented by certificates, such certificates shall be signed by the Chairman or the Chief Executive Officer or the President or any Vice President and by the Treasurer or the Secretary.

(b) Records and Regulations. The stock record books shall be kept by the Secretary or by any registrar, stock transfer agent or other agency designated by the Board of Directors for that purpose. The shares of the capital stock of the Corporation shall be registered in the stock ledger and transfer books of the Corporation as they are issued. Except as may otherwise be required by the Corporation's certificate of incorporation or the GCL, the Board of Directors may make such other rules and regulations concerning the issue, transfer and registration of certificated or uncertificated shares of the capital stock of the Corporation as it deems necessary or appropriate from time to time.

(c) Signatures. Any of or all the signatures upon the stock certificates of the Corporation may be a facsimile. In case any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon, any share certificate shall have ceased to be such officer, transfer agent or registrar, before the certificate is issued, it may be issued with the same effect as if the signatory were such officer, transfer agent or registrar at the date of its issue.

SECTION 2. Transfer of Stock.

Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to transfer shares of the stock of the Corporation. In the case of shares represented by a certificate, an outstanding certificate for the number of shares involved shall be surrendered for cancellation, properly endorsed, before a new certificate is issued therefor, except where a certificate is issued in accordance with Section 3 of this Article.

SECTION 3. Lost, Stolen, Destroyed or Mutilated Certificates.

The Corporation may direct a new certificate of stock to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or the legal representative of the owner, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate or the issuance of such new certificate.

SECTION 4. Record Holder of Shares.

The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the GCL.

SECTION 5. Determination of Stockholders of Record.

(a) Meetings of Stockholders. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than ten days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting.

(b) Dividends. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights of the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE VI

General Provisions

SECTION 1. Dividends.

Subject to the restrictions contained in the GCL and any restrictions contained in the certificate of incorporation, the Board of Directors may declare and pay dividends upon the shares of capital stock of the Corporation.

SECTION 2. Contracts.

Except as otherwise provided in these bylaws, the Board of Directors or the Chief Executive Officer, to the extent authorized by the Board, may authorize any officer or officers, or any agent or agents, to enter into any contract or to execute or deliver any instrument on behalf of the Corporation and such authority may be general or confined to specific instances.

SECTION 3. Corporate Seal.

The Corporation shall have a corporate seal, which shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced. If and when so directed by the Board or a committee thereof, duplicates of the seal may be kept and used by the Secretary or Treasurer or by an Assistant Secretary or Assistant Treasurer.

SECTION 4. Amendment of Bylaws.

Subject to the provisions of the certificate of incorporation, these bylaws may be altered, amended or repealed or new bylaws may be adopted either (1) by vote of the stockholders at a duly held annual or special meeting of stockholders, or (2) by vote of a majority of the Board of Directors at any regular or special meeting of directors.

SECTION 5. Action with Respect to Securities of Other Corporations.

The Chairman of the Board, the Vice Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer or Secretary, or such other person appointed by such officer or the Board of Directors, shall have the power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which the Corporation may possess by reason of its ownership of securities in such other corporation. The Corporation shall not directly or indirectly vote any shares issued by it.

SECTION 6. Fiscal Year.

The fiscal year of the Corporation shall end on the thirty-first of December in each year.

SECTION 7. Time Periods.

In applying any provision of these bylaws that requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

SECTION 8. Confidentiality Policies.

The provisions of these Bylaws shall be subject to any policies with respect to inspectors of election and confidential proxy voting which may be adopted by the Board of Directors from time to time and which are not inconsistent with applicable law.

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

	Three Months Ended Mar. 31, 2015	Years Ended December 31				
		2014	2013	2012	2011	2010
Fixed charges						
Interest expense	\$ 2.6	\$ 9.2	\$ 9.9	\$ 27.5	\$ 63.1	\$101.8
Interest capitalized during the period	.9	4.0	3.2	5.3	4.9	9.1
Amortization of debt issuance expenses	.4	1.6	1.6	1.7	1.9	2.6
Portion of rental expense representative of interest	6.9	27.9	28.4	28.2	32.6	33.5
Total Fixed Charges	10.8	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	10.8	45.4	59.3	78.9	116.0	147.0
Earnings						
Income (loss) from continuing operations before income taxes	(27.7)	145.5	219.4	254.1	206.0	222.9
Add amortization of capitalized interest	1.0	4.5	5.0	7.5	7.4	9.1
Subtotal	(26.7)	150.0	224.4	261.6	213.4	232.0
Fixed charges per above	10.8	42.7	43.1	62.7	102.5	147.0
Less interest capitalized during the period	(.9)	(4.0)	(3.2)	(5.3)	(4.9)	(9.1)
Total earnings	\$ (16.8)	\$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)	N/A	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.

* Earnings for the three months ended March 31, 2015 were inadequate to cover fixed charges by \$27.6 million.

CERTIFICATION

I, Peter A. Altabef, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 the 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: April 30, 2015

/s/ Peter A. Altabef

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

CERTIFICATION

I, Janet Brutschea Haugen, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 the 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: April 30, 2015

/s/ Janet Brutschea Haugen

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

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 Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2015 (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: April 30, 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.

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 Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2015 (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: April 30, 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.

