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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2010

or

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

For the transition period from ________ to ________ .

Commission file number: 1-8729

UNISYS CORPORATION
(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

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

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

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

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

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

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

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

Aggregate market value of the voting and non-voting common equity held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter: approximately $784.4 million.

The amount shown is based on the closing price of Unisys Common Stock as reported on the New York Stock Exchange composite tape on June 30, 2010. Voting stock beneficially held by officers and directors is not included in the computation. However, Unisys Corporation has not determined that such individuals are "affiliates" within the meaning of Rule 405 under the Securities Act of 1933.

Number of shares of Unisys Common Stock, par value $.01, outstanding as of December 31, 2010: 42,648,839

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Unisys Corporation's annual report to stockholders for the year ended December 31, 2010 are incorporated by reference into Part I, Part II and Part IV hereof.

Portions of Unisys Corporation's Definitive Proxy Statement for the 2011 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

PART I

ITEM 1. BUSINESS

General

Unisys Corporation is a worldwide information technology ("IT") company. We provide a portfolio of IT services, software, and technology that solves mission-critical problems for clients. We specialize in helping clients secure their operations, increase the efficiency and utilization of their data centers, enhance support to their end users and constituents, and modernize their enterprise applications. To provide these services and solutions, the company brings together offerings and capabilities in outsourcing services, systems integration and consulting services, infrastructure services, maintenance services, and high-end server technology. Unisys serves commercial organizations and government agencies throughout the world.

We operate in two business segments – Services and Technology. Financial information concerning the two segments can be found in Note 15, "Segment information", of the Notes to Consolidated Financial Statements appearing in our annual report to stockholders for the year ended December 31, 2010 (the "Unisys 2010 Annual Report to Stockholders"), and such information is incorporated herein by reference.

Principal Products and Services

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

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

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

In the Technology segment, we design and develop servers and related products to help clients reduce costs and improve the efficiency of their data center environments. As a pioneer in large-scale computing, Unisys offers deep experience and rich technological capabilities in transaction-intensive, mission-critical environments. We provide a range of data center, infrastructure management and cloud computing offerings to help clients virtualize and automate their data-center environments. Product offerings include enterprise-class servers, such as the ClearPath family of servers and the ES7000 family of Intel-based servers, as well as operating system software and middleware.

To drive future growth, Unisys is focusing its resources and investments in four targeted market areas: security; data center transformation, including our server business; end user outsourcing; and applications modernization.

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

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

Materials

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

Patents, Trademarks and Licenses

Unisys owns over 1,450 active U.S. patents and over 175 active patents granted in 11 non-U.S. jurisdictions. These patents cover systems and methods related to a wide variety of technologies, including, but not limited to, computing systems, relational database management, information storage, device/circuit manufacture and design, imaging, data compression and document recognition/handling. We have granted licenses covering both single patents, and particular groups of patents to others. Likewise, we have active licensing agreements granting us rights under patents owned by other entities. However, our business is not materially dependent upon any single patent, patent license, or related group thereof.

Unisys also maintains over 35 U.S. trademark and service mark registrations, and over 1,700 additional trademark and service mark registrations in over 135 non-U.S. jurisdictions. These marks are valuable assets used on or in connection with our products and services, and as such are actively monitored, policed and protected by Unisys and its agents.

Seasonality

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

Customers

No single customer accounts for more than 10% of our revenue. Sales of commercial products and services to various agencies of the U.S. government represented approximately 21% of total consolidated revenue in 2010. For more information on the risks associated with contracting with governmental entities, see “Factors that may affect future results” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Unisys 2010 Annual Report to Stockholders which is incorporated herein by reference.

Backlog

In the Services segment, firm order backlog at December 31, 2010 was $5.8 billion, compared to $5.9 billion at December 31, 2009. Approximately $2.2 billion (39%) of 2010 backlog is expected to be filled in 2011. Although we believe that this backlog is firm, we may, for commercial reasons, allow the orders to be cancelled, with or without penalty. In addition, funded government contracts included in this backlog are generally subject to termination, in whole or part, at the convenience of the government or if funding becomes unavailable. In such cases, we are generally entitled to receive payment for work completed plus allowable termination or cancellation costs.

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

Competition

Our business is affected by rapid change in technology in the information services and technology industries and aggressive competition from many domestic and foreign companies. Principal competitors are systems integrators, consulting and other professional services firms, outsourcing providers, infrastructure services providers, computer hardware manufacturers and software providers. We compete primarily on the basis of service, product performance, technological innovation, and price. We believe that our continued focused investment in engineering and research and development, coupled with our sales and marketing capabilities, will have a favorable impact on our competitive position. For more information on the competitive risks we face, see "Factors that may affect future results" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Unisys 2010 Annual Report to Stockholders which is incorporated herein by reference.

Research and Development

Unisys-sponsored research and development costs were $78.9 million in 2010, $101.9 million in 2009, and $129.0 million in 2008.

Environmental Matters

Our capital expenditures, earnings and the competitive position have not been materially affected by compliance with federal, state and local laws regulating the protection of the environment. Capital expenditures for environmental control facilities are not expected to be material in 2011 and 2012.

Employees

At December 31, 2010, we employed approximately 22,900 people worldwide.

We use the title "partner" for certain members of our services business management. In using the term "partner" or "partners," we do not mean to imply that these individuals are partners in the legal sense or to imply any intention to create a separate legal entity, such as a partnership.

International and Domestic Operations

Financial information by geographic area is set forth in Note 15, "Segment information", of the Notes to Consolidated Financial Statements appearing in the Unisys 2010 Annual Report to Stockholders, and such information is incorporated herein by reference. For more information on the risks of doing business internationally, see "Factors that may affect future results" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Unisys 2010 Annual Report to Stockholders which is incorporated herein by reference.

Available Information

Our Internet web site is located at http://www.unisys.com/about___unisys/investors/index.htm. Through our web site, we make available, free of charge, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as reasonably practicable after this material is electronically filed with or furnished to the SEC. We also make available on the web site our Guidelines on Significant Corporate Governance Issues, the charters of the Audit Committee, Compensation Committee, Finance Committee, and Nominating and Corporate Governance Committee of our board of directors, and our Code of Ethics and Business Conduct. This information is also available in print to stockholders upon request. We do not intend for information on our web site to be part of this Annual Report on Form 10-K.

EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the executive officers of Unisys as of February 15, 2011 is set forth below.

Name	Age	Position with Unisys
J. Edward Coleman	59	Chairman of the Board and Chief Executive Officer
Patricia A. Bradford	60	Senior Vice President, Worldwide Human Resources
Dominick Cavuoto	57	Senior Vice President; President, Technology, Consulting and Integration Solutions and Worldwide Strategic Services
Edward Davies	51	Senior Vice President; President, Federal Systems
Ronald S. Frankenfield	54	Senior Vice President; President, Global Outsourcing and Infrastructure Services
Janet Brutschea Haugen	52	Senior Vice President and Chief Financial Officer
Suresh Mathews	57	Senior Vice President and Chief Information Officer
M. Lazane Smith	56	Senior Vice President, Corporate Development
Nancy Straus Sundheim	59	Senior Vice President, General Counsel and Secretary
Scott A. Battersby	52	Vice President and Treasurer
Scott W. Hurley	52	Vice President and Corporate Controller

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

Mr. Coleman has been Chairman of the Board and Chief Executive Officer since 2008. Prior to joining Unisys in 2008, he served as Chief Executive Officer of Gateway, Inc. from 2006 to 2008. From 2005 to 2006, Mr. Coleman was with Arrow Electronics, serving as its Senior Vice President and as its President of Enterprise Computing Solutions. From 1999 to 2004, Mr. Coleman served as Chief Executive Officer of CompuCom Systems, Inc. and as its Chairman from 2001 to 2004. Before that, Mr. Coleman served in various leadership and executive positions at Computer Sciences Corporation and IBM Corporation. Mr. Coleman has been an officer since 2008.

Ms. Bradford has been Senior Vice President, Worldwide Human Resources since 2006. Prior to that time, she served as Vice President, Worldwide Human Resources (2005-2006), Vice President, Human Resources Operations (2004), Vice President and Managing Business Partner, Enterprise Transformation Services (2003–2004), and Vice President and Managing Business Partner, Global Industries (1999-2003). Ms. Bradford joined Unisys in 1982 and has held several other leadership positions in Human Resources. Ms. Bradford has been an officer since 2005.

Mr. Cavuoto has been Senior Vice President and President, Technology, Consulting and Integration Solutions and Worldwide Strategic Services since February 2010. From August 2009 until February 2010, Mr. Cavuoto served as Senior Vice President and President, TCIS Worldwide Consulting & Integration Services and Worldwide Strategic Services. Prior to that time, he had been President, Global Industries and Worldwide Strategic Services since rejoining Unisys in 2008. From 2007 until 2008, Mr. Cavuoto served as Chief Executive Officer of Collabera, Inc. Prior to joining Collabera, Inc., Mr. Cavuoto served as Vice President of Unisys Worldwide Services Operations (2005-2006) and as Vice President and President of Unisys Global Financial Services (2001-2005). From 1994 until 2001, Mr. Cavuoto was Managing Partner at KPMG and Senior Vice President and Managing Director at KPMG Consulting Inc. Mr. Cavuoto has been an officer since 2009.

Mr. Davies has been Senior Vice President since 2009 and President, Federal Systems since 2008. Prior to his position as President of Federal Systems, Mr. Davies had served as the managing partner for Federal Systems' Civilian Agencies since joining Unisys in 2003. Prior to joining Unisys, Mr. Davies was with Booz Allen Hamilton, Inc. from 1985 until 2002, where he most recently served as a partner. Mr. Davies has been an officer since 2009.

Mr. Frankenfield was elected Senior Vice President in December 2010 and has been President, Global Outsourcing and Infrastructure Services (GOIS) since April 2010. Prior to this position, Mr. Frankenfield had served as vice president of worldwide sales for GOIS since rejoining Unisys in 2007. From 2003 to 2005, Mr. Frankenfield served as senior vice president of North American financial services for global software provider SAP, and from 2005 to 2007, Mr. Frankenfield served as general manager for the Americas group for Egenera, a leader in the utility computing marketplace. Prior to joining SAP, Mr. Frankenfield held a variety of senior leadership roles at Unisys, including serving as general manager of the company's Australia/New Zealand and overall Asia-Pacific businesses. Mr. Frankenfield has been an officer since December 2010.

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

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

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

Ms. Sundheim has been Senior Vice President, General Counsel and Secretary since 2001. From 1999 to 2001, she was Vice President, Deputy General Counsel and Secretary. She had been Deputy General Counsel since 1990. Ms. Sundheim has been an officer since 1999.

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

Mr. Hurley has been Vice President and Corporate Controller since 2008. Prior to joining Unisys in 2008, he was Vice President and Chief Accounting Officer at VIASYS Healthcare Inc. (2004-2007); Vice President, Corporate Controller and Treasurer at Incyte Corp. (2003-2004); and Corporate Controller at Arrow International, Inc. (1998-2003). Mr. Hurley has been an officer since 2008.

ITEM 1A. RISK FACTORS

Discussion of risk factors is set forth under the heading “Factors that may affect future results” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Unisys 2010 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

As of December 31, 2010, we had 12 major facilities in the United States with an aggregate floor space of approximately 2.0 million square feet, located primarily in California, Minnesota, New Jersey, Pennsylvania, Texas, Utah and Virginia. We owned one of these facilities, with aggregate floor space of approximately 0.3 million square feet; 11 of these facilities, with approximately 1.7 million square feet of floor space, were leased to us. Approximately 1.7 million square feet of the U.S. facilities were in current operation, approximately 0.1 million square feet were subleased to others, and approximately 0.2 million square feet were declared surplus with disposition efforts in progress or held in reserve.

As of December 31, 2010, we had 10 major facilities outside the United States with an aggregate floor space of approximately 1.2 million square feet, located primarily in Australia, Brazil, India, and the United Kingdom. We owned two of these facilities, with approximately 0.5 million square feet of floor space; 8 of these facilities, with approximately 0.7 million square feet of floor space, were leased to us. Approximately 1.0 million square feet were in current operation, approximately 0.2 million square feet were subleased to others, and there was no space at our major facilities being held in reserve or declared surplus with disposition efforts in progress.

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

ITEM 3. LEGAL PROCEEDINGS

Information with respect to litigation is set forth in Note 14, “Litigation and contingencies”, of the Notes to Consolidated Financial Statements appearing in the Unisys 2010 Annual Report to Stockholders, and such information is incorporated herein by reference.

ITEM 4. (REMOVED AND RESERVED)

PART II

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

Unisys Common Stock (trading symbol "UIS") is listed for trading on the New York Stock Exchange and London Stock Exchange. Information on the high and low sales prices for Unisys Common Stock is set forth under the heading "Quarterly financial information" in the Unisys 2010 Annual Report to Stockholders and is incorporated herein by reference. At December 31, 2010, there were approximately 42.6 million shares outstanding and approximately 19,100 stockholders of record. Unisys has not declared or paid any cash dividends on its Common Stock since 1990, and we do not anticipate declaring or paying cash dividends in the foreseeable future.

ITEM 6. SELECTED FINANCIAL DATA

A summary of selected financial data is set forth under the heading "Five-year summary of selected financial data" in the Unisys 2010 Annual Report to Stockholders and is incorporated herein by reference.

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

Management's discussion and analysis of financial condition and results of operations is set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Unisys 2010 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information concerning market risk is set forth under the heading "Market risk" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Unisys 2010 Annual Report to Stockholders and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements of Unisys, consisting of the consolidated balance sheets at December 31, 2010 and 2009 and the related consolidated statements of income, cash flows and stockholders' equity (deficit) for each of the three years in the period ended December 31, 2010, appearing in the Unisys 2010 Annual Report to Stockholders, together with the report of KPMG LLP, independent registered public accountants, on the financial statements at December 31, 2010 and 2009 and for each of the three years in the period ended December 31, 2010, appearing in the Unisys 2010 Annual Report to Stockholders, is incorporated herein by reference. Supplementary financial data, consisting of information appearing under the heading "Quarterly financial information" in the Unisys 2010 Annual Report to Stockholders, is incorporated herein by reference.

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

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report, management performed, with the participation of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), an evaluation of the effectiveness of the company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act"). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based upon that evaluation, the CEO and the CFO concluded that, as of December 31, 2010, the company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified by the SEC, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Report of Management on Internal Control Over Financial Reporting

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

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

Management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, we concluded that the company maintained effective internal control over financial reporting as of December 31, 2010, based on the specified criteria.

KPMG LLP, an independent registered public accounting firm, has audited the company's internal control over financial reporting as of December 31, 2010, as stated in its report that appears in the Unisys 2010 Annual Report to Stockholders, and such report is incorporated herein by reference.

Changes in Internal Control over Financial Reporting

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

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

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

The following information is incorporated herein by reference to our Definitive Proxy Statement for the 2011 Annual Meeting of Stockholders (the "Proxy Statement"):

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

ITEM 11. EXECUTIVE COMPENSATION

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

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

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

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

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

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

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

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

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

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this report:

1. Financial Statements from the Unisys 2010 Annual Report to Stockholders which are incorporated herein by reference:

Consolidated Balance Sheets at December 31, 2010 and December 31, 2009

Consolidated Statements of Income for each of the three years in the period ended December 31, 2010

Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2010

Consolidated Statements of Stockholders' Equity (Deficit) for each of the three years in the period ended December 31, 2010

Notes to Consolidated Financial Statements

Report of Management on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm

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

	Form 10-K Page No.
Report of Independent Registered Public Accounting Firm on Schedule II	13
Schedule II Valuation and Qualifying Accounts	14

The financial statement schedule should be read in conjunction with the consolidated financial statements and notes thereto in the Unisys 2010 Annual Report to Stockholders. Financial statement schedules not included with this report have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits. Those exhibits required to be filed by Item 601 of Regulation S-K are listed in the Exhibit Index included in this report at pages 15 through 18. Management contracts and compensatory plans and arrangements are listed as Exhibits 10.1 through 10.30.

SIGNATURES

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

UNISYS CORPORATION

By: /S/ J. EDWARD COLEMAN
J. Edward Coleman
Chairman of the Board and
Chief Executive Officer

Date: February 22, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 22, 2011.

/S/ J. EDWARD COLEMAN **J. Edward Coleman** **Chairman of the Board and Chief Executive Officer** **(principal executive officer)**	*MATTHEW J. ESPE **Matthew J. Espe** **Director**
/S/ JANET BRUTSCHEA HAUGEN **Janet Brutschea Haugen** **Senior Vice President and Chief Financial Officer** **(principal financial officer)**	*DENISE K. FLETCHER **Denise K. Fletcher** **Director**
/S/ SCOTT HURLEY **Scott Hurley** **Vice President and Corporate Controller** **(principal accounting officer)**	*LESLIE F. KENNE **Leslie F. Kenne** **Director**
*HENRY C. DUQUES **Henry C. Duques** **Lead Director**	*CHARLES B. MCQUADE **Charles B. McQuade** **Director**
*J. P. BOLDUC **J.P. Bolduc** **Director**	*PAUL E. WEAVER **Paul E. Weaver** **Director**
*JAMES J. DUDERSTADT **James J. Duderstadt** **Director**	*By: /S/ J. EDWARD COLEMAN **J. Edward Coleman** **Attorney-in-fact**

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Unisys Corporation:

Under date of February 22, 2011, we reported on the consolidated balance sheets of Unisys Corporation and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, stockholders' equity (deficit) and cash flows for each of the years in the three year period ended December 31, 2010, as contained in the Annual Report to Stockholders for the year ended December 31, 2010 incorporated in the Form 10-K. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule referred to in Item 15(2) in this Form 10-K. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement schedule based on our audits.

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

/s/ KPMG LLP
Philadelphia, Pennsylvania
February 22, 2011

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

Description	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions (1)	Balance at End of Period
Year Ended December 31, 2008	$ 51.8	$ 7.0	$ (7.8)	$ 51.0
Year Ended December 31, 2009	$ 51.0	$ (1.2)	$ (4.2)	$ 45.6
Year Ended December 31, 2010	$ 45.6	$ (.9)	$ (7.7)	$ 37.0

(1) Includes write-off of bad debts less recoveries and foreign currency translation adjustments.

EXHIBIT INDEX

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of Unisys Corporation (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K dated April 29, 2010)
3.2	By-Laws of Unisys Corporation, as amended through April 26, 2010 (incorporated by reference to Exhibit 3.2 to the Company’s Current Report on Form 8-K dated April 29, 2010)
4.1	Agreement to furnish to the Commission on request a copy of any instrument defining the rights of the holders of long-term debt which authorizes a total amount of debt not exceeding 10% of the total assets of the Company (incorporated by reference to Exhibit 4 to the Company’s Annual Report on Form 10-K for the year ended December 31, 1982 (File No. 1-145))
4.2	Form of Indenture, dated as of March 1, 2003, between Unisys Corporation and HSBC Bank USA (incorporated by reference to Exhibit 4.1 to the Company’s Registration Statement on Form S-3 (Registration No. 333-85650))
4.3	Supplemental Indenture, dated as of December 11, 2007, between Unisys Corporation and HSBC Bank USA, National Association (as successor to HSBC Bank USA) (the “Trustee”) to the Indenture, dated as of March 1, 2003, between the Company and the Trustee (incorporated by reference to Exhibit 4.1 to the Company’s Current Report on Form 8-K dated December 6, 2007)
4.4	Second Supplemental Indenture, dated as of July 30, 2009, between Unisys Corporation and HSBC Bank USA, National Association, as trustee (incorporated by reference to Exhibit 4.3 to the registrant’s Current Report on Form 8-K dated July 31, 2009)
4.5	Indenture, dated as of July 31, 2009, among Unisys Corporation, the Subsidiary Guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, including the form of 12 3/4% Senior Secured Notes due 2014 (incorporated by reference to Exhibit 4.1 to the registrant’s Current Report on Form 8-K dated July 31, 2009)
4.6	Indenture, dated as of July 31, 2009, among Unisys Corporation, the Subsidiary Guarantors named therein and Deutsche Bank Trust Company Americas, as trustee, including the form of 14 1/4% Senior Secured Notes due 2015 (incorporated by reference to Exhibit 4.2 to the registrant’s Quarterly Report on Form 10-Q for the period ended September 30, 2009)
10.1	Unisys Corporation Deferred Compensation Plan as amended and restated effective September 22, 2000 (incorporated by reference to Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2000)
10.2	Deferred Compensation Plan for Directors of Unisys Corporation, as amended and restated effective April 22, 2004 (incorporated by reference to Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004)
10.3	Unisys Corporation Director Stock Unit Plan, as amended and restated, effective September 22, 2000 (incorporated by reference to Exhibit 10.5 to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2000)

10.4	Unisys Directors Stock Option Plan, as amended and restated effective September 22, 2000 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2000)
10.5	Amendment to Amended and Restated Unisys Directors Stock Option Plan, effective February 12, 2009 (incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.6	Unisys Executive Annual Variable Compensation Plan (incorporated by reference to Exhibit A to the Company's Proxy Statement, dated March 23, 1993, for its 1993 Annual Meeting of Stockholders)
10.7	1990 Unisys Long-Term Incentive Plan, as amended and restated effective September 22, 2000 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2000)
10.8	Amendment to Amended and Restated 1990 Unisys Long-Term Incentive Plan, effective February 12, 2009 (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.9	Form of Indemnification Agreement between Unisys Corporation and each of its Directors (incorporated by reference to Exhibit B to the Company's Proxy Statement, dated March 22, 1988, for the 1988 Annual Meeting of Stockholders)
10.10	Form of Executive Employment Agreement (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.11	Unisys Corporation 2002 Stock Option Plan (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002)
10.12	Amendment to Unisys Corporation 2002 Stock Option Plan, effective February 12, 2009 (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.13	Unisys Corporation 2003 Long-Term Incentive and Equity Compensation Plan, as amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.14	Amendment to Unisys Corporation 2003 Long-Term Incentive and Equity Compensation Plan, effective February 12, 2009 (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.15	Agreement, dated December 22, 2008, between Unisys Corporation and J. Edward Coleman (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.16	Employment Agreement, dated December 22, 2008, between Unisys Corporation and J. Edward Coleman (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.17	2005 Deferred Compensation Plan for Directors of Unisys Corporation, amended and restated effective December 2, 2010 except at otherwise noted therein

10.18	Unisys Corporation 2007 Long-Term Incentive and Equity Compensation Plan, amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.19	Amendment to Unisys Corporation 2007 Long-Term Incentive and Equity Compensation Plan, effective February 12, 2009 (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.20	Unisys Corporation Executive Life Insurance Program, as amended and restated effective April 22, 2004 (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005)
10.21	Amendment to the Unisys Corporation Executive Life Insurance Program, effective January 1, 2009 (incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.22	Form of Restricted Stock Unit Agreement (incorporated by Reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006)
10.23	Unisys Corporation Supplemental Executive Retirement Income Plan, as amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.24	Unisys Corporation Elected Officer Pension Plan, as amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.25	Unisys Corporation 2005 Deferred Compensation Plan, as amended and restated effective January 1, 2005 except as otherwise noted therein (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.26	Unisys Corporation Savings Plan, as amended and restated effective January 1, 2011
10.27	Amendment to the Unisys Corporation Savings Plan, effective January 26, 2011
10.28	Summary of supplemental benefits provided to elected officers of Unisys Corporation (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008)
10.29	Agreement dated February 9, 2010 between Unisys Corporation and Richard Marcello (incorporated by reference to Exhibit 10 to the Company's Current Report on Form 8-K dated February 9, 2010)
10.30	Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan (incorporated by reference to Appendix E to the Company's Proxy Statement, dated March 18, 2010, for its 2010 Annual Meeting of Stockholders)
10.31	Governance and Cooperation Agreement, dated May 20, 2008, by and among Unisys Corporation, MMI Investments, L.P., MCM Capital Management, LLC, Clay B. Lifflander and Charles B. McQuade (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 20, 2008)

10.32	Collateral Trust Agreement, dated as of July 31, 2009, among Unisys Corporation, the Subsidiary Guarantors named therein and Deutsche Bank Trust Company Americas, as collateral trustee (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K dated July 31, 2009).
10.33	Priority Lien Pledge and Security Agreement, dated as of July 31, 2009, among Unisys Corporation, the Subsidiary Guarantors named therein and Deutsche Bank Trust Company Americas, as collateral trustee, including forms of trademark, copyright and patent security agreements (incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K dated July 31, 2009).
10.34	Junior Lien Pledge and Security Agreement, dated as of July 31, 2009, among Unisys Corporation, the Subsidiary Guarantors named therein and Deutsche Bank Trust Company Americas, as collateral trustee, including forms of trademark, copyright and patent security agreements (incorporated by reference to Exhibit 10.3 to the registrant's Current Report on Form 8-K dated July 31, 2009).
10.35	Registration Rights Agreement, dated as of July 31, 2009, among Unisys Corporation, Goldman, Sachs & Co., Banc of America Securities LLC, and Deutsche Bank Securities Inc.12 (incorporated by reference to Exhibit 10.4 to the registrant's Current Report on Form 8-K dated July 31, 2009).
12	Computation of Ratio of Earnings to Fixed Charges
13	Portions of the Company's Annual Report to Stockholders for the year ended December 31, 2010
21	Subsidiaries of the Company
23	Consent of KPMG LLP
24	Power of Attorney
31.1	Certification of J. Edward Coleman 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 J. Edward Coleman 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.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*

* Furnished, not filed.

2005 DEFERRED COMPENSATION PLAN
FOR DIRECTORS OF UNISYS CORPORATION

(As amended and restated effective December 2, 2010 except as otherwise noted below)

Article I
Purpose & Authority

1.1 Purpose. The purpose of the Plan is to offer members of the Board of Directors who are not employees of the Corporation the opportunity to defer receipt of a portion of their Compensation, under terms advantageous to both the Director and the Corporation and subject to rules that satisfy the requirements of section 409A of the Code.

1.2 Effective Date. A deferred compensation plan for directors of the predecessor to Unisys Corporation was originally approved by the board of the predecessor corporation on November 20, 1981. That plan, currently named the Deferred Compensation Plan for Directors of Unisys Corporation, was subsequently amended, effective January 1, 1994 and, again, effective April 22, 2004. Deferrals of compensation earned and vested before January 1, 2005 were made under that plan, and amounts deferred under that plan will continue to be subject to the rules set forth in that plan document. This Plan was adopted February 10, 2005, effective January 1, 2005, for deferrals of compensation earned and vested on or after January 1, 2005, and was amended from time to time thereafter. This Plan is now being amended and restated for deferrals of compensation earned and vested on and after the Effective Date, which will be subject to the rules set forth in this Plan document as it may be amended from time to time.

1.3 Authority. Any decision made or action taken by the Corporation and any of its officers or employees involved in the administration of this Plan, or any member of the Board or the Committee arising out of or in connection with the construction, administration, interpretation and effect of the Plan shall be within the sole discretion of all and each of them, as the case may be, and will be conclusive and binding on all parties. No member of the Board and no employee of the Corporation shall be liable for any act or action hereunder, whether of omission or commission, by any other member or employee or by any agent to whom duties in connection with the administration of the Plan have been delegated or, except in circumstances involving the member’s or employee’s bad faith, for anything done or omitted to be done by himself or herself.

Article II
Definitions

2.1 “Account” means, for any Participant, each memorandum account established for the Participant under Section 4.1.

2.2 “Account Balance” means, for any Participant as of any date and with respect to any Account, the aggregate amount reflected in that Account.

2.3 “Award” means an Award (as that term is defined under the applicable LTIP) that is granted under the applicable LTIP, other than an award of Stock Options or Stock Appreciation Rights (as defined under the applicable LTIP).

2.4 “Beneficiary” means the person or persons designated from time to time in writing by a Participant to receive payments under the Plan after the death of such Participant or, in the absence of such designation or in the event that such designated person or persons predeceases the Participant, the Participant’s estate.

2.5 “Board” means the Board of Directors of the Corporation.

2.6 “Change in Control” means any of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of Treasury Regulation section 1.409A-3(i)(5)) (a “Person”) of ownership of 30% or more of the combined voting power of the then outstanding voting securities of the Corporation (the “Outstanding Voting Securities”) during a 12-month period, provided, however, that the acquisition by any corporation pursuant to a transaction described in clauses (1), (2) and (3) of Section 2.5(c) will not constitute a Change in Control; or

(b) During a 12-month period, individuals who constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or disposition of assets of the Corporation that have a total gross fair market value of more than 40% of the total gross fair market value of assets of the Corporation immediately before the acquisition (a "Substantial Portion of Assets") within a 12-month period (a "Business Combination"), unless, in each case following such Business Combination, (1) all or substantially all of the individuals and entities who were the owners, respectively, of the then outstanding shares of Stock (the "Outstanding Stock") and Outstanding Voting Securities immediately before the Business Combination own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation that as a result of the transaction owns (A) the Corporation or (B) a Substantial Portion of Assets of the Corporation acquired within a 12-month period either directly or indirectly through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Stock and Outstanding Voting Securities, as the case may be, (2) no Person (excluding any employee benefit plan (or related trust) of the Corporation or the corporation resulting from the Business Combination) owns, directly or indirectly, 30% or more of, the combined voting power of the then outstanding voting securities of the corporation resulting from the Business Combination except to the extent that the Person owned 30% or more of the Outstanding Voting Securities before the Business Combination, and (3) at least a majority of the members of the board of directors of the corporation resulting from the Business Combination were members of the Incumbent Board during the 12-month period immediately preceding the Business Combination; or

(d) Approval by the stockholders of the Corporation of a complete liquidation or dissolution of the Corporation, but only to the extent that one Person acquires a Substantial Portion of Assets of the Corporation within a 12-month period in connection with such transaction.

The rules of this Section 2.6 shall be interpreted and applied in accordance with the provisions of Treasury Regulation section 1.409A-3(i)(5).

2.7 "Code" means the Internal Revenue Code of 1986, as amended.

2.8 "Committee" means the Compensation Committee of the Board, such other committee as may be appointed by the Board to administer the Plan or the person or persons to whom the Compensation Committee or such other committee may have delegated any of the Committee's authority to administer the Plan.

2.9 "Compensation" means amounts payable by the Corporation, absent deferral, with respect to services provided by a Participant to the Corporation as a member of the Board, including retainer and meeting fees and Awards.

2.10 "Corporation" or **"Unisys"** means Unisys Corporation.

2.11 "Deferral Election" means (a) an election by an Eligible Director to defer a portion of his or her Compensation under the Plan, as described in Section 3.1, or (b) an election by a Participant, pursuant to the terms of the Plan in effect prior to the Effective Date, to elect the time and form of payment of Non-Elective Stock Units.

2.12 "Deferred Stock Units" means Stock Units awarded as a result of a Participant's election to defer the receipt of an Award, as described in Sections 3.1 and 4.2(b).

2.13 "Effective Date" means, except as otherwise noted herein, December 2, 2010, the effective date of this amended and restated Plan.

2.14 "Elective Stock Units" means Stock Units awarded as a result of a Participant's election to defer the receipt of Compensation, other than an Award, in accordance with Section 4.2(b).

2.15 “Eligible Director” means a member of the Board who is not an employee of the Corporation.

2.16 “Fair Market Value” means, on any date, the sales price of a share of Unisys Common Stock (a) on the New York Stock Exchange as of the official close of the New York Stock Exchange at 4:00 p.m. U.S. Eastern Standard Time or Eastern Daylight Time, as the case may be, on such date, or (b) on such other stock exchange, designated by the Committee in its sole discretion, as of the official close of such exchange on such date.

2.17 “Investment Measurement Option” means any of the hypothetical investment alternatives available for determining the additional amounts to be credited to a Participant’s Account under Section 4.2. As of the Effective Date, the Investment Measurement Options available are generally the investment options available to eligible participants under the USP other than the Unisys Common Stock Fund.

2.18 “LTIP” means the Unisys Corporation 2003 Long-Term Incentive and Equity Compensation Plan, the Unisys Corporation 2007 Long-Term Incentive and Equity Compensation Plan, the Unisys Corporation 2010 Long-Term Incentive and Equity Compensation Plan, or any successor equity-based incentive compensation, as applicable.

2.19 “Non-Elective Stock Units” means Stock Units that were awarded to the Participant by the Corporation, without regard to a deferral election, pursuant to the terms of the Plan in effect prior to the Effective Date.

2.20 “Participant” means an Eligible Director or a former Eligible Director (a) (1) who has made a Deferral Election, or (2) who was awarded Non-Elective Stock Units, and (b) who has not received a distribution of his or her entire Account Balance.

2.21 “Plan” means the 2005 Deferred Compensation Plan for Directors of Unisys Corporation, as set forth herein and as amended from time to time.

2.22 “Revised Election” means an election made by a Participant, in accordance with Section 5.2, to change the date as of which payment of his or her Account Balance is to commence and/or the form in which such payment is to be made.

2.23 "Separation from Service" means the termination of a Participant's service as a member of the Board.

2.24 "Stock Units" means Unisys common stock-equivalent units, (a) which are awarded as Deferred Stock Units or Elective Stock Units, or (b) which were awarded as Non-Elective Stock Units. Each Stock Unit represents the equivalent of one share of Unisys Common Stock; therefore, the value of a Stock Unit on any given date is the Fair Market Value of a share of Unisys Common Stock on that date.

2.25 "Stock Units Account" means that portion of a Participant's Account attributable to Stock Units.

2.26 "USP" means the Unisys Savings Plan, as amended from time to time.

2.27 "Valuation Date" means each business day on which the New York Stock Exchange (or such other exchange designated by the Committee in its sole discretion) is open, each of which is a date on which the interest of a Participant in each of the Participant's Accounts is valued pursuant to the terms of the Plan.

Article III
<u>Deferral of Compensation</u>

3.1 <u>Deferral Election</u>. (a) Each Eligible Director may elect to defer all or a portion of his or her Compensation that, absent deferral, would be paid or awarded to him or her for services rendered during the following calendar year by properly completing and filing a Deferral Election form.

(b) To be effective, a Deferral Election must be made in writing by the Eligible Director on a form furnished by the Secretary of the Corporation.

(1) Generally, an Eligible Director's Deferral Election must be received by the Secretary of the Corporation on or before the date specified by the Committee, which shall be no later than the December 31 prior to the calendar year to which the Deferral Election applies.

(2) Notwithstanding Section 3.1(b)(1), an individual who becomes an Eligible Director after January 1 of a calendar year may make a Deferral Election by filing the required written election with the Secretary of the Corporation on or before the date that is 30 days after the date on which he or she becomes an Eligible Director, and his or her election shall apply to Compensation that would be earned by him or her during the remainder of the calendar year after he or she filed the election. An Eligible Director may make a Deferral Election under this Section 3.1(b)(2), (A) when he or she initially becomes an Eligible Director, or (B) at any subsequent time if he or she becomes an Eligible Director again after having ceased to be an Eligible Director at a previous time, and if he or she either had received his or her entire Account Balance attributable to his or her prior period of service as a member of the Board before becoming an Eligible Director again or had not been an Eligible Director at any time during the 24-month period ending on the date he or she became an Eligible Director again. An Eligible Director's service as a member of the Board prior to the Effective Date and his or her account, if any, under the predecessor to this Plan shall be taken into account in applying these rules.

(c) Once made, a Deferral Election shall become effective upon receipt by the Secretary of the Corporation and is thereafter irrevocable, except to the extent otherwise provided in Section 5.2.

(d) An Eligible Director's Deferral Election must specify either a percentage or a certain dollar amount of his or her Compensation to be deferred under the Plan, provided, however, that the amount of an Award to be deferred will be rounded up, if necessary, to equal a number of whole Deferred Stock Units. In addition, the Deferral Election must specify the date on which payment of the amount deferred is to commence and the form in which such payment is to be made, as set forth below:

(1) Subject to Section 5.1(b) hereof, the Deferral Election must specify that such payment is to commence:

(A) as of his or her Separation from Service;

(B) as of a specific date that is at least two years after the end of the calendar year containing the date on which the amounts to be deferred, absent deferral, would be paid to the Eligible Director;

(C) upon the Eligible Director's becoming disabled (within the meaning of Code section 409A);

(D) upon a Change in Control of the Corporation; or

(E) upon the earlier (or earliest) to occur of two (or more) dates described in (A) – (D) of this Section 3.1(d)(1).

(2) The Eligible Director must specify whether payment of his or her Account is to be made in a single sum or in annual installments.

(3) Notwithstanding the foregoing, an Eligible Director may not elect a form of payment to the extent that such an election would cause any payments to be made after the March 31 first following the date that is 20 years after the date of the Eligible Director's Separation from Service.

(4) An Eligible Director may make a separate Deferral Election, as to the amount or percentage of Compensation deferred and as to the date and form of payment, with respect to the Eligible Director's Awards or any other form of Compensation other than Awards.

(e) Deferrals of an Eligible Director's Compensation, other than Awards, shall be credited to the Plan as soon as administratively practicable after the date on which the Compensation, absent deferral, would be payable to the Participant. Deferrals of an Eligible Director's Awards shall be credited to the Plan as soon as administratively practicable after the date on which the Award was granted.

(f) Unless an Eligible Director's Deferral Election specifically provides otherwise, his or her Deferral Election shall expire as of the last day of the calendar year for which the Deferral Election was made.

Article IV
Treatment of Deferred Amounts

4.1 Memorandum Account. (a) The Corporation shall establish on its books a separate Account for each Participant for each calendar year in which the Participant elects to defer Compensation. Amounts deferred by a Participant pursuant to a Deferral Election shall be credited to the Participant's Account as provided in Section 3.1(e). In addition, as of each Valuation Date, incremental amounts determined in accordance with Section 4.2 will be credited or debited to each Participant's Account, and adjustments shall be made with respect to Stock Units as provided in Section 4.1(b). Any payments made to or on behalf of the Participant and for his or her Beneficiary shall be debited from the Account. No assets shall be segregated or earmarked with respect to any Account, and no Participant or Beneficiary shall have any right to assign, transfer, pledge or hypothecate his or her interest or any portion thereof in his or her Account. The Plan and the crediting of Accounts hereunder shall not constitute a trust or a funded arrangement of any sort and shall be merely for the purpose of recording an unsecured contractual obligation of the Corporation.

(b) If the Corporation shall issue a stock dividend on the Unisys Common Stock, stock dividend equivalents shall be credited to the Participant's Stock Units Account, as of the dividend payment date, as Stock Units in the same amount as the stock dividends to which the Participant would have been entitled if the Stock Units were shares of Unisys Common Stock. Cash dividends, if any, shall be credited to the Stock Units Account, as of the dividend payment date, in the form of Stock Units based on the Fair Market Value of the Unisys Common Stock on the dividend payment date. The Stock Units Account shall be appropriately adjusted to reflect splits, reverse splits, or comparable changes to the Corporation's Common Stock.

(c) If a Participant makes a Deferral Election with respect to an Award that is not vested under the terms of the grant and the applicable LTIP on the date of grant, and the Participant has a Separation from Service or any other event occurs that would cause a forfeiture of the Award under its terms before all or any portion of the Award becomes vested under its terms, in each case taking into account any terms of the applicable LTIP or the grant that provide for continuation of vesting, then the non-vested portion of the Award shall be forfeited and debited from the Participant's Account.

4.2 Investment Measurement Options. (a) Subject to the provisions of this Section 4.2, a Participant's Account, excluding his or her Stock Units Account, shall be credited or debited with amounts equal to the amounts that would be earned or lost with respect to the Participant's Account Balance if amounts equal to that Account Balance were actually invested in the Investment Measurement Options in the manner specified by the Participant.

(b) Deferrals of Awards shall be credited to a Participant's Account as Deferred Stock Units, and the Participant may not elect to have an Investment Measurement Option applied to the deferral of an Award at any time. With respect to current deferrals of Compensation other than Awards, each Eligible Director may elect, at the same time as a Deferral Election is made, to have one or more of the Investment Measurement Options applied to the current deferrals of Compensation other than Awards, or to have the current deferrals credited to his or her Stock Units Account in the form of Elective Stock Units. Such election with respect to current deferrals may be changed at any time upon appropriate notice to the Secretary of the Corporation, provided, however, that an election to have current deferrals credited as Elective Stock Units may not be changed at any time during the effective period of the Deferral Election. If a Participant elects to have current deferrals credited as Elective Stock Units, the number of Stock Units to be credited to the Participant's Stock Units Account under this Section 4.2(b) shall be the quotient of (x) divided by (y) where (x) equals the amount of the current deferral to be credited as Stock Units and (y) equals the Fair Market Value on the date on which the amounts are credited to the Participant's Stock Unit Account.

(c) Subject to the restrictions described in Section 4.2(d), a Participant may elect to change the manner in which Investment Measurement Options apply to existing Account Balances (excluding the Participant's Stock Units Account). In addition, a Participant may elect to have all or any portion of his or her existing Account Balances (other than the Stock Units Account) credited to his or her Stock Units Account as Elective Stock Units. The number of Stock Units to be credited to the Participant's Stock Units Account under this Section 4.2(c) shall be the quotient of (x) divided by (y) where (x) equals the amount of the existing Account Balances to be credited as Stock Units and (y) equals the Fair Market Value on the effective date on which the amounts are credited to the Participant's Stock Units Account. Any election described in this Section 4.2(c) will be effective upon receipt of the appropriate notice by the Secretary of the Corporation.

(d) The following rules apply to Investment Measurement Options.

(1) The percentage of a Participant's current deferrals and/or Account Balance to which a specified Investment Measurement Option is to be applied must be a multiple of one percent (1%). The Participant may change the specified Investment Measurement Options that will apply to his or her Account(s) on any business day as of which the Plan's recordkeeper is open for business. Changes in a specified Investment Measurement Option with respect to a Participant's Account will be effective as soon as administratively practicable following receipt of the Participant's election.

(2) To the extent that a Participant has not specified an Investment Measurement Option to apply to all or a portion of his or her current deferrals and/or Account Balance, the Fidelity Balanced Fund (effective as of January 1, 2007) or such other fund as is designated by the Committee shall be deemed to be the applicable Investment Measurement Option.

(3) The chosen Investment Measurement Option or Options shall apply to deferred amounts on and after the date on which such deferred amounts are credited to the Participant's Account.

(e) The Committee shall have the authority to modify the rules and restrictions relating to Investment Measurement Options (including the authority to change such

Investment Measurement Options prospectively) as it, in its sole discretion, deems necessary and in accord with the investment practices in place under the USP.

Article V
Payment of Deferred Amounts

5.1 Form and Time of Payment. The benefits to which a Participant or a Beneficiary may be entitled under the Plan shall be paid in accordance with this Section 5.1.

(a) Payments of a Participant's Account Balances (other than the Participant's Stock Units Account) shall be made in cash in U.S. dollars. Payments of the Participant's Stock Units Account shall be made in whole shares of Unisys Common Stock and in cash in U.S. dollars for any fractional shares.

(b) Except as otherwise provided in Sections 5.1(e) and 5.3, (1) for payment of a Participant's Account Balances upon Separation from Service, the Account Balances shall be valued as of the last Valuation Date in the month in which the Participant's Separation from Service occurs and payment shall commence on the first day of the next month, (2) for payment upon any other date or dates specified in the Participant's Deferral Election or Elections or the Participant's Revised Election or Elections (to the extent that the Revised Election or Elections has or have become effective), the Account Balances shall be valued as of the last Valuation Date in the month in which such date occurs and payment shall commence on the first day of the next month, and (3) all payments shall be made in the form or forms specified in the Participant's Deferral Election or Elections or the Participant's Revised Election or Elections (to the extent that the Revised Election or Elections has or have become effective).

(c) To the extent a Participant has not specified the form or time of payment of all or a part of his or her Account Balance, payment of that portion of the Account Balance will be made in a single sum upon the Participant's Separation from Service, except as otherwise provided in Section 5.1(e).

(d) To the extent a Participant has elected payment in the form of annual installments, each installment payment after the initial installment payment shall be made on or about March 31 of each year following the year in which the first installment was paid. With respect to each Deferral Election made by a Participant, the amount of each annual installment payment to be made to a Participant under such Deferral Election shall be determined by dividing the portion of the Participant's Account Balance covered by such Deferral Election as of the latest Valuation Date in the month preceding the date of payment by the number of installments remaining to be paid under such Deferral Election, and the number of shares of Unisys Common Stock delivered to a Participant who is receiving installments from his or her Stock Units Account shall be the quotient of (x) divided by (y) where (x) equals the amount to be distributed in an installment and (y) equals the Fair Market Value on the latest Valuation Date in the month preceding the date of payment, with the amount attributable to any fractional share payable in cash in U.S. dollars.

(e) Notwithstanding any Deferral Election made by the Participant or any provision of the Plan to the contrary, in no event shall any portion of a Participant's Account attributable to Deferred Stock Units be paid before the vesting date for the Award to which the Deferred Stock Units are attributable, as determined under the applicable LTIP and the terms of the Award.

(f) Notwithstanding any Deferral Election made by the Participant or any provision of the Plan to the contrary, other than Section 5.1(e):

(1) If the Participant's Separation from Service occurs before the specific date as of which all or a portion of a Participant's Account Balance is scheduled to be paid, the payment of that portion of the Participant's Account Balance will commence upon the Participant's Separation from Service and will be made in the form elected by the Participant with respect to a distribution upon Separation from Service.

(2) If a Participant's Separation from Service occurs after the Participant begins to receive any portion of an Account Balance that was to be paid to the

Participant as of a specific date, the remaining portion of such Account Balance shall continue to be distributed in accordance with the form of payment being made to the Participant at the time of his or her Separation from Service.

(3) If, at the time of a Participant's Separation from Service the balance in all of a Participant's Accounts is $10,000 or less, the balance in all the Participant's Accounts shall be paid to the Participant in a single sum upon the Participant's Separation from Service.

(4) Any portion of a Participant's Account Balance that has not been paid to the Participant as of the date of his or her death shall be paid to the Participant's Beneficiary in a single sum on the first day of the month following the month in which the Participant's death occurs.

(5) If a Participant demonstrates to the satisfaction of the Committee that he or she has incurred an "unforeseeable emergency" within the meaning of Code section 409A, the Participant may receive a distribution of the amount necessary to meet his or her unforeseeable emergency, as determined by the Committee in accordance with Code section 409A and regulations thereunder.

5.2 Revised Election. (a) Pursuant to a Revised Election, a Participant may specify:

(1) a date for the commencement of the payment of the Participant's Account that, if the Participant originally elected a specified date for payment (as opposed to payment upon Separation from Service), is a date at least five years after the date specified in the Participant's applicable Deferral Election; and/or

(2) a form of payment that calls for a greater number of annual installment payments than that specified in the Participant's applicable Deferral Election, or a number of annual installment payments where the Participant specified a single sum payment in his or her applicable Deferral Election, provided that the first installment begins no earlier than five years after the date on which the Participant originally elected that distribution commence.

(3) Notwithstanding the foregoing, an Eligible Director may not elect a time of benefit commencement and/or a form of payment to the extent that such an election would cause any payments to be made after the March 31 first following the date that is 20 years after the date of the Eligible Director's Separation from Service.

(b) A Participant may make no more than three Revised Elections with respect to each of the Participant's Accounts.

(c) To be effective, a Revised Election must:

(1) meet the requirements of Sections 5.2(a) and 5.2(b) above;

(2) be made in writing by the Participant on a form furnished for such purpose by the Secretary of the Corporation; and

(3) be submitted to the Secretary of the Corporation on or before the date that is one year before the date on which the portion of the Participant's Account that is the subject of the Revised Election would, absent the Revised Election, first become payable.

5.3 <u>SEC Rule 16b.</u> If deemed necessary to comply with Rule 16b-3 under the Securities and Exchange Act of 1934, as amended, the Corporation may delay payment with respect to Stock Units until six months following the date on which the Stock Units were credited to the Participant's Account.

Article VI
<u>Miscellaneous</u>

6.1 <u>Amendment</u>. The Board may modify or amend, in whole or in part, any of or all the provisions of the Plan, or suspend or terminate it entirely; provided, however, that any such modification, amendment, suspension or termination may not, without the Participant's consent, adversely affect any deferred amount credited to him or her under the Plan for any period prior to the effective date of such modification, amendment, suspension or termination, except that no Participant consent is necessary if such modification, amendment, suspension or termination is necessary to comply with the requirements of Code section 409A. The Plan shall remain in effect until terminated pursuant to this provision.

6.2 Administration. The Committee shall have the sole authority to interpret the Plan and in its sole discretion to establish and modify administrative rules for the Plan, including, but not limited to, establishing rules regarding elections, hypothetical investments and distributions. Elections made under the Plan shall be effective only to the extent made and filed in accordance with the rules specified in the Plan or such other rules as may be established by the Committee. The Committee may delegate to any person or persons the authority and responsibility for all or any aspect of administration of the Plan in its sole discretion. Notwithstanding any provision of the Plan to the contrary, the Committee shall administer the Plan in a manner that is consistent with the requirements of section 409A of the Code. All expenses and costs in connection with the operation of this Plan shall be borne by the Corporation. The Corporation shall have the right to deduct from any payment to be made pursuant to this Plan any federal, state or local taxes required by law to be withheld, and any associated interest and/or penalties.

6.3 Governing Law. The Plan shall be construed and its provisions enforced and administered in accordance with the laws of the Commonwealth of Pennsylvania except as such laws may be superseded by the federal law and without regard to Pennsylvania's conflict of laws rules.

6.4 Unfunded Plan. It is intended that the Plan constitute an "unfunded" plan for deferred compensation. The Corporation may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan; provided, however, that, unless the Corporation otherwise determines, the existence of such trusts or other arrangements is consistent with the "unfunded" status of the Plan. Any liability of the Corporation to any person with respect to any Account under the Plan shall be based solely upon any contractual obligations that may be created pursuant to the Plan. No such obligation of the Corporation shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Corporation.

UNISYS CORPORATION
SAVINGS PLAN

Amended and Restated

Effective January 1, 2011

UNISYS CORPORATION
SAVINGS PLAN

Amended And Restated
Effective January 1, 2011

TABLE OF CONTENTS

UNISYS CORPORATION

SAVINGS PLAN

Amended and Restated

Effective January 1, 2011

ARTICLE I

HISTORY AND SCOPE

1.01 History. Unisys Corporation (formerly, Burroughs Corporation), adopted the Burroughs Plan, effective July 1, 1984. Unisys Corporation is successor by merger to Sperry Corporation which, prior to such merger, established and maintained the Sperry Plan. Effective April 1, 1988, the Burroughs Plan and Sperry Plan were merged to form the Plan. The Plan is maintained for the benefit of eligible employees of Unisys Corporation and the eligible employees of its subsidiaries that adopt the Plan.

Effective October 1, 1990, the Company's CTIP was merged into the Plan. Effective November 30, 1992, the RIPII was merged into the Plan. Effective March 31, 1996, the RIP was merged into the Plan.

Effective September 16, 2004, the BCC Retirement Plan was merged into the Plan.

This Plan was amended and restated, effective January 1, 1998, to bring the Plan into compliance with the Uniformed Services Employment and Reemployment Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the IRS Restructuring and Reform Act of 1998, the Internal Revenue Service Restructuring and Reform Act of 1998, the Community Renewal Tax Relief Act of 2000, and all other applicable law as in effect on the effective date of that amendment and restatement of the Plan.

The Plan was amended and restated, effective January 1, 2002, to bring the Plan into compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, the Job Creation and Worker Assistance Act of 2002, and certain final regulations issued by the Department of Labor and the Department of Treasury.

The Plan was amended and restated, effective January 1, 2006, to reflect changes and clarifications related to the administration of the Plan.

The Plan was amended and restated, generally effective January 1, 2007, to bring the Plan into compliance with certain final regulations issued under sections 401(k) and

401(m) of the Code, and to reflect certain provisions of the Pension Protection Act of 2006, hurricane relief provisions and certain design changes.

The Plan was amended and restated generally effective January 1, 2008, except as otherwise required by law or provided herein, to add additional participating subsidiaries, exclude employees of the Unisys Technical Services division of the Company, and to exclude certain paid, nonworking leave from compensation for Plan purposes.

The Plan was amended and restated generally effective January 1, 2010 except as otherwise required by law or provided herein, to reflect certain requirements of the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008 and the Worker, Retiree and Employer Recovery Act of 2008 and regulations thereunder; and to reflect changes and clarifications related to the administration of the Plan.

The Plan is amended and restated generally effective January 1, 2011 except as otherwise required by law or provided herein, to incorporate amendments through December 31, 2010, and to make certain design changes and clarifications related to the administration of the Plan.

1.02 Effective Dates. The original effective date of the Plan was April 1, 1988. This amendment and restatement of the Plan is generally effective January 1, 2011, except as otherwise required by law or provided herein.

1.03 Rights Affected. Unless provided to the contrary herein, the provisions of the Plan shall apply to Employees who are credited with an Hour of Service after December 31, 2010.

1.04 Qualification Under the Internal Revenue Code. It is intended that the Plan be a qualified plan within the meaning of section 401(a) of the Code and that the Trust be exempt from federal income taxation under the provisions of section 501(a) of the Code.

1.05 Documents. The Plan consists of the Plan document as set forth herein and any subsequent amendments thereto.

ARTICLE II

DEFINITIONS

The following words and phrases as used herein have the following meanings unless a different meaning is plainly required by the context:

2.01 "Account" means a Participant's After-Tax Account, ESOP Account, GPEP Account, Regular Account, Tax Deferred Account, Tax Deductible Contribution Account, Qualified Nonelective ESOP Contribution Account, Qualified Nonelective Non-ESOP Contribution Account, or Rollover Account.

2.02 "Actual Contribution Percentage" means, with respect to a Plan Year, the ratio (expressed as a percentage) of the sum of the amount of (a) Matching Contributions, (b) After-Tax Contributions, (c) Qualified Nonelective ESOP Contributions, and (d) Tax Deferred Contributions recharacterized as After-Tax Contributions, made on behalf of the Participant for the Plan Year to the Participant's Testing Compensation for the Plan Year.

2.03 "Actual Deferral Percentage" means, with respect to a Plan Year, the ratio (expressed as a percentage) of the amount of Tax Deferred Contributions made pursuant to Section 4.01(a) and Qualified Nonelective Non-ESOP Contributions made on behalf of the Participant for the Plan Year to the Participant's Testing Compensation for the Plan Year.

2.04 "Administrative Committee" means the committee appointed in accordance with Section 12.02, which is responsible for reviewing and deciding appeals under the Plan.

2.05 "Affiliate" means any entity included with the Employer in (a) a controlled group of employers or trades or businesses within the meaning of section 414(b) or 414(c) of the Code; (b) an affiliated service group within the meaning of section 414(m) of the Code; or (c) a group required to be aggregated pursuant to the regulations under section 414(o) of the Code; provided that any such employer shall be included within the term "Affiliate" only while a member of a group including the Employer. For purposes of Section 5.05, whether a member of a controlled group is an Affiliate shall be determined under section 1563(a) of the Code (as incorporated through application of sections 414(b) and (c) of the Code) by substituting "50%" for "80%" everywhere it appears in section 1563(a) of the Code.

2.06 "After-Tax Account" means a Participant's account to which are credited After-Tax Contributions, if any, and earnings and losses thereon.

2.07 "After-Tax Contribution" means a contribution made by an Employee in accordance with a Participant's salary reduction agreement pursuant to Section 4.02(b).

2.08 "Aggregation Group" means the group of qualified plans sponsored by the Employer or by an Affiliate formed by including in such group (a) all such plans in which a Key Employee participates in the Plan Year containing the Determination Date, or any of the four preceding Plan Years, including any frozen or terminated plan that was maintained within the five-year period ending on the Determination Date, (b) all such plans which enable any plan described in clause (a) to meet the requirements of either section 401(a)(4) of the Code or section 410 of the Code, and (c) such other qualified plans sponsored by the Employer or an Affiliate as the Employer elects to include in such group, as long as the group, including those plans electively included, continues to meet the requirements of sections 401(a)(4) and 410 of the Code.

2.09 "Associated Company" means any entity that is not a member of a controlled group of corporations within the meaning of section 1563(a) of the Code (as incorporated through application of sections 414(b) and (c) of the Code), of which the Company is the common parent, but which would be a member of such controlled group of corporations if "50%" were substituted for "80%" everywhere it appears in section 1563(a) of the Code.

2.10 "BCC" means Baesch Computer Consulting.

2.11 "Beneficiary" means (a) the Participant' s Spouse, or (b) the person, persons or trust designated by the Participant, with the consent of his Spouse, if any, as direct or contingent beneficiary. In order to be valid, the Spouse's consent to a Beneficiary other than or in addition to the Participant's Spouse, must be in writing, must consent to the specific Beneficiary designated, must acknowledge the effect of such consent, and must be witnessed by a Plan representative or notary public. If the Participant has no Spouse and no effective beneficiary designation, his Beneficiary shall be the first of the following classes in which there is any person surviving the Participant: (a) the Participant's children, (b) the Participant's parents, and (c) the Participant's brothers and sisters. Unless otherwise provided in the applicable Beneficiary form, if the Participant has no spouse, if none of the foregoing classes include a person surviving the Participant, the Participant's Beneficiary shall be his estate.

2.12 "Benefit Commencement Date" means the first day on which all events have occurred that entitle a Participant to the benefit.

2.13 "Board" means the Board of Directors of the Company.

2.14 "Burroughs Plan" means the Burroughs Employees Savings Thrift Plan, as in effect on March 30, 1988.

2.15 "Code" means the Internal Revenue Code of 1986, as amended.

2.16 "Company" means Unisys Corporation.

2.17 "Compensation" means a Participant's wages or salary paid by an Employer to an Employee, including amounts deducted in accordance with sections 125 or 401(k) of the Code, overtime pay, shift differentials, overseas hardship and war risk premiums, temporary promotional supplements, payments for accrued but unused vacation, commissions paid under the terms of a written ongoing sales commission plan, and paid bonuses paid under the terms of a written ongoing bonus plan approved as such by the Plan Manager, but excluding any amounts received by an Employee while he is not a Participant, and any other deferred compensation. A Participant's Compensation shall not exceed the dollar limitation in effect under section 401(a)(17) of the Code with respect to any Plan Year. Effective January 1, 2001, "Compensation" shall include amounts deducted from a Participant's wages or salary in accordance with section 132(f)(4) of the Code. Notwithstanding the foregoing, any amounts deducted on a pre-tax basis for group health coverage because the Participant is unable to certify that he or she has other health coverage, so long as the Employer does not otherwise request or collect information regarding the Participant's other health coverage as part of the enrollment process for the Employer's health plan, shall be included as Compensation. Effective January 1, 2007, "Compensation" shall not include payments for "garden leave payments." For purposes of this Section 2.17, "garden leave payments" are certain amounts negotiated under a Participant's termination agreement that are paid during periods when no services are performed by such Participant. Effective for Plan Years beginning after December 31, 2007, Compensation for purposes of this paragraph shall not include any amounts that are excluded from the definition of compensation set forth in section 415(c)(3) of the Code. Effective January 1, 2009, Compensation shall include the amount of any military differential wage payments made by the Employer to a Participant in accordance with section 3401(h) and section 414(u)(12) of the Code.

2.18 "Covered Employee" means any Employee other than:

(a) any Employee who is a member of a collective bargaining unit, unless such collective bargaining agreement provides for the Employee's participation in the Plan;

(b) any Employee who is a nonresident alien of the United States (including the District of Columbia, Puerto Rico, or the Virgin Islands) and who does not receive any United States (including the District of Columbia, Puerto Rico or the Virgin Islands) source income from the Employer;

(c) an Employee who is (1) employed by an overseas subsidiary of an Employer, (2) on temporary assignment to the Employer, and (3) not eligible for participation in a defined benefit plan maintained by the Employer;

(d) any Employee whose terms of employment with the Employer are covered under the Service Contracts Act, the Davis-Bacon Act, or a similar government contracting statute, unless the terms of the statue or government contract expressly provide for participation in this Plan;

(e) any individual who is not an employee of the Employer but who provides services as described in section 414(n)(2) of the Code;

(f) any individual who is classified as an independent contractor by the Employer or any persons who are not treated by the Employer as employees for purposes of withholding federal employment taxes, regardless of (1) how such individual is classified by the Internal Revenue Service, other governmental agency, government or court, or (2) a contrary governmental or judicial determination relating to such employment status or tax withholding;

(g) effective as of September 26, 2006, an Employee who is employed by Unisys Technical Services L.L.C.;

(h) effective January 1, 2008, an Employee who is employed by the Unisys Technical Services division of the Company; and

(i) effective March 31, 2010, an Employee who is employed in the Federal Systems Minimal Benefits Group (code FS.CIV.ITSA.52.90).

2.19 "CTIP" means the Convergent Tax Investment Plan, as in effect on September 30, 1990.

2.20 "Determination Date" means the last day of the preceding Plan Year.

2.21 "Distributee" means a Participant, the surviving Spouse of a deceased Participant, or a Participant's Spouse or former Spouse who is an alternate payee under a Qualified Domestic Relations Order.

2.22 "Employee" means (a) an individual who is employed by the Employer, (b) when required by context for purposes of crediting Hours of Service under Section 2.31, a former Employee, and (c) a leased employee as described under section 414(n)(2) of the Code.

2.23 "Employer" means the Company and any Affiliate listed on Appendix A.

2.24 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.25 "ESOP Account" means a Participant's account to which are credited Matching Contributions made to the Plan after March 31, 1989, and earnings and losses thereon.

2.26 "ESOP Portion of the Plan" means the portion of the Plan that is both a stock bonus plan and an employee stock ownership plan intended to qualify under sections 401(a) and 4975(e)(7) of the Code, the assets of which are held in the ESOP Account and Qualified Nonelective ESOP Accounts of Participants and invested primarily in shares of Unisys Stock that meet the requirements of section 404(l) of the Code.

2.27 "Fund" means the assets and all earnings, appreciation and additions thereto, less losses, depreciation and any proper payments made by the Trustee, held under the Trust by the Trustee for the exclusive benefit of Participants and their Beneficiaries.

2.28 "Gap Period Income" means the allocable gain or loss for the period between the end of the Plan Year and the date of distribution or forfeiture (or a date that is no more than seven days prior to the date of distribution or forfeiture), with respect to amounts that are distributed or forfeited in accordance with Sections 5.01(b) and 5.05.

2.29 "GPEP Account" means a Participant's account to which are credited GPEP contributions made with respect to Plan Years beginning before January 1, 1998, if any, and earnings and losses thereon.

2.30 "Highly Compensated Employee" means an Employee who either:

(a) was a 5% owner (as defined in section 416(i)(1) of the Code) at any time during the Plan Year for which Highly Compensated Employees are being identified or the preceding Plan Year; or

(b) with respect to the Plan Year preceding the calendar year for which Highly Compensated Employees are being identified both (1) had Testing Compensation in excess of the dollar amount under section 414(q)(1)(B)(i) of the Code, as in effect for such Plan Year, and (2) was in the top 20% of all Employees when ranked on the basis of Testing Compensation.

2.31 “Hour of Service” means each hour for which an Employee is directly or indirectly paid or entitled to payment by the Company, an Affiliate, or an Associated Company for the performance of Service.

2.32 “Investment Committee” means the Pension Investment Review Committee appointed pursuant to Section 12.02 which is responsible for the control and management of the Investment Funds.

2.33 “Investment Fund” means a fund selected by the Investment Committee in which the Fund or any portion thereof may be invested.

2.34 “Investment Manager” means the individual or entity, if any, selected by the Trustee responsible for the investment of all or a portion of the Fund.

2.35 “Key Employee” means a person employed or formerly employed by the Employer or an Affiliate who, during the Plan Year or during any of the preceding four Plan Years, was any of the following:

(a) an officer of the Employer having annual Testing Compensation of more than $130,000, or such other amount as may be in effect under section 415(1)(A)(i) of the Code;

(b) a 5% owner of the Employer.

(c) a person who is both an employee whose annual Testing Compensation exceeds $150,000 and who is a 5% owner of the Employer.

The Beneficiary of any deceased Participant who was a Key Employee shall be considered a Key Employee for the same period as the deceased Participant would have been so considered.

2.36 “Key Employee Ratio” means the ratio (expressed as a percentage) for any Plan Year, calculated as of the Determination Date with respect to such Plan Year, determined by dividing the amount described in subsection (a) hereof by the amount described in subsection (b) hereof, after deduction from both such amounts of the amount described in subsection (c) hereof.

(a) The amount described in this subsection (a) is the sum of (1) the aggregate of the present value of all accrued benefits of Key Employees under all qualified defined benefit plans included in the Aggregation Group, (2) the aggregate of the balances in all of the accounts standing to the credit of Key Employees under all qualified defined contribution plans included in the Aggregation Group, and (3) the aggregate amount distributed from all plans in such Aggregation Group to or on behalf of any Key Employee during the one-year period ending on the Determination Date. In the case of a distribution made for a reason other than separation from service, death, or disability, clause (3) herein shall be applied by substituting “five-year period” for “one-year period.”

(b) The amount described in this subsection (b) is the sum of (1) the aggregate of the present value of all accrued benefits of all Participants under all qualified defined benefit plans included in the Aggregation Group, (2) the aggregate of the balances in all of the accounts standing to the credit of all Participants under all qualified defined contribution plans included in the Aggregation Group, and (3) the aggregate amount distributed from all plans in such Aggregation Group to or on behalf of any Participant during the one-year period ending on the Determination Date. In the case of a distribution made for a reason other than separation from service, death, or disability, clause (3) herein shall be applied by substituting “five-year period” for “one-year period.”

(c) The amount described in this subsection (c) is the sum of (1) all rollover contributions (or similar transfers) to plans included in the Aggregation Group initiated by an Employee from a plan sponsored by an employer which is not the Employer or an Affiliate, (2) any amount that would have been included under subsection (a) or (b) hereof with respect to any person who has not rendered service to any Employer at any time during the one-year period ending on the Determination Date, and (3) any amount that is included in subsection (b) hereof for, on behalf of, or on account of, a person who is a Non-Key Employee as to the Plan Year of reference but who was a Key Employee as to any earlier Plan Year.

The present value of accrued benefits under any defined benefit plan shall be determined under the method used for accrual purposes for all plans maintained by the Employer and all Affiliates if a single method is used by all such plans, or otherwise, the slowest accrual method permitted under section 411(b)(1)(C) of the Code.

2.37 “Matching Contribution” means a contribution made by an Employer in accordance with Section 4.03.

2.38 “Non-Highly Compensated Employee” means an Employee other than a Highly Compensated Employee.

2.39 “Non-Key Employee” means any Employee or former Employee who is not a Key Employee as to that Plan Year, or a Beneficiary of a deceased Participant who was a Non-Key Employee.

2.40 “Normal Retirement Age” means age 65.

2.41 “Notice Period” means the period beginning 90 days before and ending 30 days before the Benefit Commencement Date. The 30-day minimum may be waived by a Distributee; provided, however, that with respect to a Participant scheduled to receive his benefit in the form of a Qualified Joint and Survivor Annuity, the minimum Notice Period may not be less than seven days before the date distribution is made.

2.42 “Participant” means a Covered Employee who has met the eligibility requirements of Section 3.01. An individual who is a Participant but who ceases to be a Covered Employee shall nonetheless remain a Participant for purposes of benefit payments only, until all amounts due him under the Plan have been paid.

2.43 “Period of Severance” means a period beginning on the date of an Employee’s Severance from Employment and ending on the date on which the Employee again performs an Hour of Service.

Notwithstanding the foregoing, solely for the purpose of determining whether a Period of Severance has occurred, in the case of an absence from employment by reason of the pregnancy of the Employee, the birth of a child of the Employee, the placement of a child with the Employee in connection with the adoption of the child by the Employee or the caring for the child for a period beginning immediately following that birth or placement, the period between the first and second anniversary of the first day of such absence from employment shall neither be construed as a Period of Severance nor a period of Service. In order for an absence to be considered to be for the reasons described in the foregoing sentence, an Employee shall provide the Plan Manager with information regarding the reasons for the absence and the length of the absence. Nothing in this Section 2.43 shall be construed as expanding or amending any maternity or paternity leave policy of an Employer or Affiliate.

2.44 “Plan” means the profit sharing plan, known as the “Unisys Savings Plan” set forth in this document, which includes a stock bonus plan and employee stock ownership plan intended to qualify under sections 401(a) and 4975(e)(7) of the Code, and the related trust agreement pursuant to which the Trust is maintained.

2.45 “Plan Manager” means the individual or individuals responsible for certain matters relating to the administration of the Plan, as described under Article XII.

2.46 “Plan Year” means the calendar year.

2.47 “Prior Plan” means the Burroughs Plan, Sperry Plan, CTIP, RIP, RIPII or BCC Retirement Plan.

2.48 “Qualified Default Investment Alternative” means the Fidelity Freedom Fund closest to the year of the Participant’s 65th birthday.

2.49 "Qualified Domestic Relations Order" means a judgment, decree or order that relates to a Participant's benefit under the Plan and meets the requirements of section 414(p) of the Code.

2.50 "Qualified Joint and Survivor Annuity" means an annuity for the life of the Participant with a survivor annuity for the life of the Participant's Spouse equal to 50% of the monthly amount payable for the Participant's life.

2.51 "Qualified Nonelective ESOP Account" means a Participant's account to which are credited Qualified Nonelective ESOP Contributions, if any, and earnings and losses thereon.

2.52 "Qualified Nonelective ESOP Contribution" means a contribution made by the Employer pursuant to Section 4.05 for purposes of satisfying the requirements of Section 5.03.

2.53 "Qualified Nonelective Non-ESOP Account" means a Participant's Account to which are credited Qualified Nonelective Non-ESOP Contributions, if any, and earnings and losses thereon.

2.54 "Qualified Nonelective Non-ESOP Contribution" means a contribution made by the Employer pursuant to Section 4.05 for purposes of satisfying the requirements of Section 5.02.

2.55 "Regular Account" means a Participant's Account to which are credited (a) Matching Contributions made before April 1, 1989, (b) matching contributions made to a Prior Plan (other than CTIP) before April 1, 1989, (c) matching contributions made to the CTIP before October 1, 1990, (d) employee contributions made to the Sperry Plan, and (e) earnings and losses.

2.56 "RIP" means the Unisys Retirement Investment Plan, as in effect on March 31, 1996.

2.57 "RIPII" means the Retirement Investment Plan II, as in effect on November 30, 1992.

2.58 "Rollover Account" means a Participant's account to which are credited the (a) Participant's Rollover Contributions, if any, (b) amounts, if any, transferred to a Participant's Account from a Prior Plan which were derived from such Participant's rollover contributions to such Prior Plan, and (c) earnings and losses thereon.

2.59 "Rollover Contribution" means a contribution made by a Participant pursuant to Section 4.06.

2.60 "Service" means the periods determined in accordance with the following provisions of this Section 2.60. An Employee's total period of Service shall be determined from the first date the Employee performs an Hour of Service until the date of his Severance from Employment.

(a) Service shall include:

(1) periods of active employment with the Employer, an Affiliate, or an Associated Company and with any entity that is a predecessor to the Employer;

(2) periods during which no active duties are performed by the Employee for the Company, an Affiliate, an Associated Company, or any entity that is a predecessor to the Employer because the Employee is:

(A) absent from work because of occupational injury or disease incurred in the course of employment with the Company, an Affiliate, or an Associated Company and on account of such absence receives workers' compensation;

(B) in the service of the Armed Forces of the United States during a period with respect to which an Employer, Affiliate, or an Associated Company is required to give reemployment rights by law, provided the Employee returns to work with the Company, Affiliate, or an Associated Company immediately after the termination of such military service;

(C) absent from work and receives short-term disability benefits under an Employer's short-term disability plan or other plan of the Company, an Affiliate, or an Associated Company providing similar benefits;

(3) for vesting purposes under the Plan, service performed for the Company, an Affiliate, or an Associated Company in a capacity described under subsection (a), (b), (c), (d), or (e) of Section 2.18, prior to the Employee becoming a Covered Employee;

(b) Service shall exclude service prior to the date on which a business is acquired, merged, consolidated, or otherwise absorbed by the Company, an Affiliate, or an Associated Company, or prior to the date the assets of a business are acquired by the Company, an Affiliate, or an Associated Company, unless otherwise provided herein or authorized by the Company.

(c) Notwithstanding any provision of the Plan to the contrary, if a Participant was a participant in a Prior Plan as of the date of the Prior Plan's merger with and into the Plan, such Participant's Service immediately after such merger shall be the greater of:

(1) the Participant's service under the terms of the Prior Plan immediately prior to the date of such Prior Plan's merger with and into the Plan; or

(2) the Participant's Service determined under the Plan without regard to this subsection (c).

(d) To the extent that a prior period of employment with Burroughs Corporation, Memorex Corporation, System Development Corporation, Sperry Corporation, or any Affiliate of the foregoing corporations was not credited under the terms of a Prior Plan, such period shall be counted as Service under the Plan; provided that the Plan has, or is furnished with, evidence of such prior period of employment.

(e) If an Employee separates from Service but returns to employment with the Employer before incurring a one-year Period of Severance, the period between the date he separated from Service and his date of reemployment by the Company, an Affiliate, or an Associated Company.

2.61 "Severance from Employment" means the earlier of (a) the date an Employee dies or retires, quits or is discharged from the Employer and all Affiliates, or (b) the first anniversary of the date that the Employee is otherwise first absent from work from the Employer and all Affiliates (with or without pay) for any reason; provided, however, that if the Employee's absence is attributable to qualified military service, the Employee shall not be considered to have had a Severance from Employment provided the absent Employee returns to active employment with the Employer or Affiliate. Notwithstanding the foregoing, however, the Severance from Employment of a Participant who incurs a Total Disability shall be the earlier of (a) the date the Participant quits, retires, is discharged or dies, or (b) the date his Total Disability ends, provided he does not return to employment as of date.

2.62 "Sperry Plan" means the Sperry Retirement Program - Part B, as in effect on March 30, 1988.

2.63 "Spouse" means the spouse or surviving spouse of the Participant who is a person of the opposite gender who is the lawful husband or lawful wife of a Participant under the laws of the state or country of the Participant 's domicile; provided, however, that a former spouse shall be treated as the Spouse or surviving Spouse to the extent provided under a Qualified Domestic Relations Order.

2.64 "Tax Deductible Contribution Account" means a Participant's account to which are credited tax deductible contributions, if any, made to the Plan before April 1, 1989, and earnings and losses thereon.

2.65 "Tax Deferred Account" means a Participant's account to which are credited (a) Tax-Deferred Contributions, if any, (b) tax deferred contributions made under a Prior Plan and transferred to the Plan, (c) basic member contributions, if any, made under the Sperry Plan and transferred to the Plan, and (d) earnings and losses thereon.

2.66 "Tax Deferred Contribution" means a contribution made by an Employer in accordance with a Participant's salary reduction agreement pursuant to Section 4.01(a).

2.67 "Termination of Employment" means an Employee's cessation of employment with the Company and all Affiliates and Associated Companies as a result of quitting, retirement, discharge, release or placement on extended lay-off with no expectation of recall, or failure to return to active employment upon expiration of an approved leave of absence.

2.68 “Testing Compensation” means the total of a Participant’s wages, salary and other amounts paid by an Employer and reported in Internal Revenue Service Form W-2, and any amounts deferred under section 402(g)(3) or 125 of the Code and, effective January 1, 2001, section 132(f)(4) of the Code; provided, however, for purposes of Sections 5.02, 5.03 and 5.04, the Plan Manager may elect to exclude amounts deducted in accordance with sections 125, 132(f)(4), and 402(e)(3) of the Code as Testing Compensation. Notwithstanding the foregoing, any amounts deducted on a pre-tax basis for group health coverage because the Participant is unable to certify that he or she has other health coverage, so long as the Employer does not otherwise request or collect information regarding the Participant’s other health coverage as part of the enrollment process for the Employer’s health plan, shall be included as Testing Compensation. Effective January 1, 2008, Compensation for purposes of this Section shall include regular pay as described in Treasury Regulation section 1.415(c)-(2)(e)(3)(ii) if paid by the end of the Limitation Year that includes the Employee’s termination of employment, or if later, 2-1/2 months after the Employee’s termination of employment (“the Post-Termination Period”). Any payments not described in the foregoing sentence shall not be considered Compensation if paid after termination of employment, even if they are paid within the Post Termination Period. Only the first $230,000, as adjusted in accordance with section 401(a)(17)(B) of the Code and the regulations thereunder, of the amount otherwise described in this Section shall be counted on or after January 1, 2008. Effective January 1, 2009, Testing Compensation shall include the amount of any military differential wage payments made by the Employer to a Participant in accordance with section 3401(h) and section 414(u)(12) of the Code.

2.69 “Total Disability” means a condition resulting from injury or sickness that, in the judgment of the Plan Manager or his or her designee:

(a) with regard to the first 24-months of an absence from Service due to a condition resulting from the injury or sickness, constitutes a condition likely to render the Participant unable to perform each of the material duties of his regular occupation; and

(b) with regard to the period of an absence from Service due to a condition resulting from the injury or sickness after the initial 24-months of such absence, constitutes a condition which renders the Participant unable to perform the material duties of any occupation for which he is reasonably fitted by training, education or experience.

Notwithstanding the foregoing, however, in no event shall a Participant be deemed to have incurred a Total Disability until he has exhausted all benefits available under his Employer’s short-term disability plan or other plan providing short term disability benefits. For purposes of this Section 2.69, a determination of a Participant’s disabled status under the Unisys Long-Term Disability Plan or similar long-term disability plan sponsored by an Employer shall be deemed a conclusive and binding determination of the Participant’s Total Disability status under the Plan.

2.70 “Trust” means the legal entity created by the trust agreement between the Employer and the Trustee, fixing the rights and liabilities with respect to controlling and managing the Fund for the purposes of the Plan.

2.71 “Trustee” means the party or parties appointed by the Board of Directors as trustee of the Trust and named as trustee pursuant to the Trust Agreement or any successors thereto.

2.72 “Unisys Stock” means Unisys Corporation common stock, par value $0.01 per share.

2.73 “Valuation Date” means each day of each calendar year.

ARTICLE III

ELIGIBILITY FOR PARTICIPATION

3.01 Eligibility Requirement. An Employee shall be eligible to become a Participant if he is a Covered Employee.

3.02 Participation Commencement Date. Each Covered Employee who was a Participant as of December 31, 2010, shall continue to be a Participant on January 1, 2011, if he is then a Covered Employee. Each other Covered Employee shall be a Participant on his first day of employment as a Covered Employee.

3.03 Time of Participation-Excluded Employees. An Employee who is ineligible to be a Participant because he is not a Covered Employee, shall become a Participant as of the first day on which he becomes a Covered Employee. A Participant shall cease to be an active Participant on any date on which he ceases to be a Covered Employee; however, a Participant who ceases to be a Covered Employee will remain a Participant for distribution purposes under the Plan until such time as he no longer has a vested interest under the Plan.

ARTICLE IV

CONTRIBUTIONS

4.01 Tax Deferred Contributions.

(a) (1) Subject to the limitations contained in Article V, each Employer shall make a Tax Deferred Contribution for the Plan Year to the Tax Deferred Account of each of its Covered Employees who, with respect to such Plan Year is a Participant and has filed a salary reduction notice with the Employer that provides for a reduction in Compensation otherwise payable to the Participant by a designated whole percentage that does not exceed the limit described in paragraph (2), and a contribution of that amount by the Employer to the Participant’s Tax Deferred Account.

(2) The amount of the Tax Deferred Contribution made for a Participant with respect to any Plan Year pursuant to this subsection (a) shall be the amount specified in the salary reduction notice. The percentage specified shall be a whole percentage of the Participant's Compensation not to exceed (A) 30% with respect to a Participant who is a Non-Highly Compensated Employee or (B) 18% with respect to a Participant who is a Highly Compensated Employee. The Plan Manager may, in its discretion, increase or decrease the maximum permissible amount of Tax Deferred Contributions at any time and from time to time as it deems appropriate. Any salary reduction notice shall relate only to Compensation as yet unearned when the notice is filed and may not be amended during the period to which it pertains, except that it may be terminated as to amounts unearned at the date of a Participant's Termination of Employment.

(b) Each Employer shall make an additional Salary Deferral Contribution for the Plan Year to the Tax Deferred Account of each of its Covered Employees who, with respect to such Plan Year is a Participant, is age 50 or older as of the last day of the Plan Year, and has elected, in accordance with procedures established by the Plan Manager and subject to any limitations imposed by the Plan Manager, to make an additional Salary Deferral Contribution in an amount not to exceed $1,000 for the Plan Year (or such other amount as may be applicable under section 414(v) of the Code), reduced by, to the extent required by the Code and applicable Treasury regulations, any other elective deferrals contributed on the Participant's behalf pursuant to section 414(v) of the Code for the Plan Year; provided, however, that elective deferrals shall be treated for all Plan purposes as contributed under subsection (a) above in lieu of this subsection, unless the Participant is unable to make additional Salary Deferral Contributions under subsection (a) above for the Plan Year due to limitations imposed by the Plan or applicable federal law.

(c) Salary reduction notices pursuant to this Section 4.01 must be made within the time prescribed by the Plan Manager and shall become effective in accordance with the rules and procedures established by the Plan Manager.

(d) Subject to, and in accordance with, the rules and procedures established by the Plan Manager, a Participant may elect to change, discontinue, or resume the percentage of Compensation under his salary reduction notice. All such elections shall become effective in accordance with the rules and procedures established by the Plan Manager.

4.02 After-Tax Contributions.

(a) A Participant may make After-Tax Contributions to the Plan by filing a salary reduction notice authorizing the Employer to reduce the after-tax Compensation otherwise payable to the Participant by a designated whole percentage (up to the limit specified in subsection (b)), and deposit such amounts into the Participant's After-Tax Contribution Account.

(b) The amount of the After-Tax Contribution made by a Participant with respect to any Plan Year shall be the amount specified in the salary reduction notice. The percentage specified shall be a whole percentage not to exceed 6% of the Participant's Compensation.

Any salary reduction notice shall relate only to Compensation as yet unearned when the notice is filed and may not be amended during the period to which it pertains, except that it may be terminated as to amounts unearned at the date of a Participant's Termination of Employment.

(c) Salary reduction notices pursuant to this Section 4.02 must be made within the time prescribed by the Plan Manager and shall become effective in accordance with the rules and procedures established by the Plan Manager.

(d) Subject to, and in accordance with, the rules and procedures established by the Plan Manager, a Participant may elect to change, discontinue, or resume the percentage of Compensation under his salary reduction notice. All such elections shall become effective in accordance with the rules and procedures established by the Plan Manager.

4.03 Matching Contributions. Subject to the limitations in Article V, each Employer may make a Matching Contribution for each Plan Year to the ESOP Account of each of its Covered Employees who, with respect to such Plan Year, is a Participant and has filed a salary reduction notice in accordance with Section 4.01. If Matching Contributions are made under the Plan, such Matching Contributions shall be in an amount determined in accordance with subsections (a) and (b) below.

(a) Subject to the minimum set forth in subsection (b),

(1) With respect to a Participant whose employment is not subject to a collective bargaining agreement or whose collective bargaining agreement provides that such Participant shall be treated in the same manner as a non-union Employee, the amount of the Matching Contribution made in accordance with this Section 4.03 with respect to each pay period in the Plan Year commencing January 1, 2011 shall be an amount equal to 50% of the first 6% of Compensation contributed as a Tax Deferred Contribution made pursuant to Section 4.01(a); provided, that the maximum Matching Contribution payable to a Participant shall not equal more than 3% of such Participant's Compensation for the period. With respect to each pay period in the Plan Year commencing January 1, 2007 and prior to January 1, 2009 the Matching Contribution made in accordance with this Section 4.03 shall be an amount equal to 100% of the first 6% of Compensation contributed as a Tax Deferred Contribution made pursuant to Section 4.01(a); provided, that the maximum Matching Contribution payable to a Participant shall not equal more than 6% of such Participant's Compensation for the period. No Matching Contribution shall be made on or after January 1, 2009 and prior to January 1, 2011.

(2) With respect to a Participant not described in Section 4.03(a)(1), for Plan Years commencing prior to January 1, 2009, the amount of the Matching Contribution made in accordance with this Section 4.03 with respect to each pay period in the Plan Year shall be an amount equal to 50% of the first 4% of Compensation contributed as a Tax Deferred Contribution made pursuant to Section 4.01(a); provided, that the maximum Matching Contribution payable to a Participant shall not equal more than 2% of such Participant's Compensation for the period. No Matching Contribution shall be made on or after January 1, 2009.

(b) Notwithstanding anything in subsection (a) to the contrary:

(1) each Participant who was employed by an Employer at any time during the period beginning July 1, 1998 and ending December 31, 1998 who had Tax Deferred Contributions made on his behalf for the Plan Year ending December 31, 1998 shall receive a minimum Matching Contribution for such Plan Year in an amount equal to the lesser of:

(A) 1% of the Participant's Compensation not in excess of $80,000 for the period July 1, 1998 through December 31, 1998; or

(B) 25% of the total of the Tax Deferred Contributions made on behalf of the Participant for the Plan Year (regardless of when the Tax Deferred Contributions were made during such Plan Year).

(2) for periods on or after January 1, 1999 but prior to January 1, 2009, each Participant who was employed by an Employer on December 31 of a Plan Year beginning on or after January 1, 1999 and who had Tax Deferred Contributions made on his behalf shall receive a minimum Matching Contribution, in accordance with procedures adopted by the Plan Manager, in an amount, when added to the Matching Contributions made on behalf of such Participant (before application of this paragraph), equal to (a) in the case of a Participant whose employment is not subject to a collective bargaining agreement or whose collective bargaining agreement provides that such Participant shall be treated in the same manner as a non-union Employee, 6% of the Participant's Compensation not in excess of the limit described in section 401(a)(17) of the Code as in effect with respect to such Plan Year, or (b) in the case of a Participant not described in the preceding subsection (a), the lesser of:

(A) 2% of the Participant's Compensation not in excess of the limit described in section 401(a)(17) of the Code as in effect with respect to such Plan Year; or

(B) 50% of the total of the Tax Deferred Contributions made on behalf of the Participant for the Plan Year.

4.04 GPEP Contributions. No contributions may be made to an individual's GPEP Account with respect to any Plan Year beginning on or after January 1, 1998. Amounts, if any, allocated to a Participant's GPEP Account prior to January 1, 1998 shall continue to be held in the GPEP Account until distributed in accordance with the terms of the Plan.

4.05 Qualified Nonelective Contributions. Subject to the limitations described in Article V, each Employer shall make a Qualified Nonelective Non-ESOP Contribution, a Qualified Nonelective ESOP Contribution, or both in such amount, if any, as the Board shall determine. Qualified Nonelective Non-ESOP Contributions made by an Employer shall be allocated to the Qualified Nonelective Non-ESOP Account of its employees who are both Participants and Non-Highly Compensated Employees. Qualified Nonelective ESOP Contributions made by an Employer shall be allocated to the Qualified Nonelective ESOP Account of its employees who are both Participants and Non-Highly Compensated Employees.

4.06 Rollover Contributions. With the approval of the Plan Manager, a Participant may contribute to a Rollover Account all or a portion of the amount payable to the Participant as an eligible rollover distribution from an eligible retirement plan (as defined under section 401(a)(31) of the Code). Any payment to the Plan pursuant to this Section 4.06 shall be made as a direct rollover that satisfies section 401(a)(31) of the Code or shall be made to the Plan within 60 days after the Participant’s receipt of the distribution from the plan or individual retirement account in such manner as may be approved by the Plan Manager.

4.07 Contribution Attributable to Military Service. If a Participant returns to employment with the Employer following a period of service in the Armed Forces of the United States for which an Employer is required to give reemployment rights by law, the Employer contributions to the Plan with respect to such period shall be as follows:

(a) During the period that begins on the date of the Participant’s return to employment and lasts for the lesser of (1) the product of 3 multiplied by the applicable period of military service; or (2) five years, the Participant may elect a Compensation reduction in return for the corresponding Tax Deferred Contributions on his behalf, or After-Tax Contributions, as applicable, that could have been made if the Participant had continued to be employed and received Compensation during the applicable period of military service.

(b) The Employer shall contribute to the Plan, on behalf of each Participant who has been credited under subsection (a) with Tax Deferred Contributions or After-Tax Contributions, Matching Contributions equal to the amount of Matching Contribution that would have been required under Section 4.03 had such Tax Deferred or After-Tax Contributions, as applicable, been made during the applicable period of military service.

A Participant who is entitled to a contribution pursuant to this Section 4.07 shall not be entitled to receive corresponding retroactive earnings attributable to such contribution nor shall he be entitled to participate in the allocation of any forfeiture that occurred during his period of military service. For purposes of this Section 4.07, an Employee’s Compensation for the applicable period of military service shall be deemed to equal the amount of Compensation the Employee would have received from the Employer during such period, based on the rate of pay the Employee would have received from the Employer but for the absence due to military service, or, if such rate of pay is not reasonably certain, the Employee's average Compensation during the 12-month period immediately before the qualified military service or, if shorter, the period of employment immediately before the qualified military service. The limitations under Sections 5.01 and 5.04 are applicable to contributions made pursuant to this Section 4.07 for the Plan Year to which the contributions relate. The limitations under Sections 5.02 and 5.03 shall not apply to contributions made pursuant to subsections (a) or (b) of this Section 4.07.

4.08 Allocation of Payments Relating to Executive Life Insurance Company Insolvency. To the extent the Plan is paid any amount from a state guaranty association with regard to the insolvency of Executive Life Insurance Company in 1991, such amount shall be allocated on a pro rata basis, in accordance with procedures adopted by the Plan Manager to the Accounts of any Participant who (a) resided in such state on the applicable trigger date for coverage under the state's guaranty association statute, and (b) had any portion of his Accounts invested, as of April 11, 1991, in a fund that held an Executive Life Insurance Company guaranteed investment contract. The specific Accounts to which a Participant's allocation shall be credited shall be the Accounts which were invested in the guaranteed investment contract.

4.09 Form and Timing of Contributions. Contributions shall be made to the Fund as soon as administratively practicable after the close of the payroll period to which they relate. In no event, however, shall Tax Deferred and After-Tax Contributions be made to the Fund later than the date prescribed under applicable regulations. In no event shall Matching Contributions be made to the Fund later than the last date on which amounts so paid may be deducted for federal income tax purposes by the contributing Employer for the taxable year in which the Plan Year ends. Effective January 1, 2011, all Matching Contributions shall be made in the form of Unisys Stock. The value of the Unisys Stock contributed as Matching Contributions shall be equal to the fair market value of such stock on the date such Matching Contributions is actually made to the Fund, determined in accordance with procedures established by the Plan Manager and the Trustee.

4.10 Recovery of Employer Contributions. The Employer may recover its contributions under the Plan as follows:

(a) if a contribution is made by an Employer under a mistake of fact, the excess of the amount contributed over the amount that would have been contributed had there not occurred a mistake of fact may be recovered by the Employer within one year after payment of the contribution; or

(b) if the contribution is conditioned upon its deductibility under section 404 of the Code, the contribution may be recovered, to the extent a deduction is disallowed, within one year after the disallowance.

Earnings attributable to an excess contribution may not be recovered by the Employer. Any losses attributable to the excess contribution shall reduce the amount the Employer may recover.

ARTICLE V

LIMITATIONS ON EMPLOYER CONTRIBUTIONS

5.01 Dollar Limitation on Tax Deferred Contributions.

(a) The Tax Deferred Contribution made on behalf of a Participant pursuant to Section 4.01(a) for a calendar year shall not exceed the dollar limit specified under section 402(g) of the Code. This dollar limit shall be reduced by the amount, if any, contributed on behalf of the Participant under any other qualified cash or deferred arrangement, simplified employee pension or annuity established under section 403(b) of the Code for the calendar year, other than elective deferral contributions made pursuant to section 414(v) of the Code.

(b) In the event that the dollar limit described in subsection (a) is exceeded for a Participant, the Plan Manager shall direct the Trustee to distribute by April 15 of the following calendar year, the amount of excess Tax Deferred Contributions, plus earnings thereon. The earnings and losses allocable to such excess Tax Deferred Contributions shall include earnings for the Plan Year for which the excess Tax Deferred Contributions were made and, for amounts contributed for Plan Years before January 1, 2008, for the period between the end of such Plan Year and the date of the distribution. The earnings and losses allocable to excess Tax Deferred Contributions shall be equal to the allocable earnings and losses for the Plan Year plus the Gap Period Income and shall be determined as of a date that is no more than seven days prior to the date of distribution. Effective with respect to Tax Deferred Contributions that are contributed to the Plan in any Plan Year commencing January 1, 2008 or later, any distribution of excess Tax Deferred Contributions pursuant to this subsection (b) shall include the income, if any, allocable to such excess Tax Deferred Contributions, determined as of the last day of the Plan Year preceding such distribution without regard to Gap Period Income.

(c) The Participant shall forfeit any Matching Contributions (excluding Matching Contributions forfeited or distributed pursuant to the provisions of Sections 5.03(b)(4) and (5)) and earnings, allocated to him or her by reason of the distributed Tax Deferred Contributions.

5.02 Limitation on Tax Deferred Contributions for Highly Compensated Employees.

(a) For each Plan Year the average of the Actual Deferral Percentages for Participants who are Highly Compensated Employees shall be compared to the average of the Actual Deferral Percentages for the other Participants for the preceding Plan

Year; the average of the Actual Deferral Percentages for Participants who are Highly Compensated Employees shall not exceed the greater of:

(1) the average of the Actual Deferral Percentages for Participants who are Non-Highly Compensated Employees for the preceding Plan Year, multiplied by 1.25; or

(2) the lesser of:

(A) the average of the Actual Deferral Percentages for Participants who are Non-Highly Compensated Employees for the preceding Plan Year multiplied by two, or

(B) the average of the Actual Deferral Percentages for Participants who are Non-Highly Compensated Employees for the preceding Plan Year plus two.

In the event that the Plan satisfies the requirements of section 401(a)(4), 401(k) or 410(b) of the Code only if aggregated with one or more other qualified retirement plans, or if one or more other qualified retirement plans satisfy the requirements of these sections only if aggregated with the Plan, then this subsection (a) shall be applied as if all such plans were a single plan.

(b) If in the Plan Year, the average of the Actual Deferral Percentages for Participants who are Highly Compensated Employees exceeds the limit in subsection (a) for a Plan Year, the Plan Manager shall:

(1) determine the amount by which the Actual Deferral Percentage for Highly Compensated Employee or Employees with the highest Actual Deferral Percentage or Percentages for the Plan Year would need to be reduced to comply with the limit in subsection (a);

(2) convert the excess percentage amount determined under clause (1) into a dollar amount; and

(3) reduce the Tax Deferred Contributions of the Highly Compensated Employee with the greatest dollar amount of Tax Deferred Contributions made on their behalf with respect to the Plan Year pursuant to Section 4.01(a) by the lesser of (A) the amount by which the dollar amount of the affected Highly Compensated Employee’s Tax Deferred Contributions made pursuant to Section 4.01(a) exceeds the dollar amount of the Highly Compensated Employee with the next highest dollar amount of Tax Deferred Contributions made pursuant to Section 4.01(a), or (B) the amount of the excess dollar amount determined under clause (2); and

(4) either:

(A) direct the Trustee to return the excess Tax Deferred Contributions, as adjusted in accordance with subsection (d), to the individuals from whose Accounts the excess Tax Deferred Contributions were obtained within two and one-half months following the close of the Plan Year, if administratively practicable, but in no event later than the close of the following Plan Year;

(B) recharacterize the Tax Deferred Contribution as an After-Tax Contribution, to the extent permitted by the applicable Treasury regulations, no later than two and one-half months following the close of the Plan Year; or

(C) make Qualified Nonelective Non-ESOP Contributions, as described under Section 4.05, to the extent necessary to satisfy subsection (a).

(c) To the extent that a Matching Contribution relates to excess Tax Deferred Contributions returned or recharacterized pursuant to subsection (b)(4), such Matching Contributions, as adjusted in accordance with subsection (d), shall be forfeited immediately. Amounts forfeited during the Plan Year shall be used to reduce future Matching Contributions made by the Employer.

(d) The excess Tax Deferred Contributions returned or recharacterized pursuant to subsection (b), and any Matching Contributions forfeited pursuant to subsection (c) shall be adjusted for any income or loss thereon up to the date of distribution or forfeiture, as applicable, using the Plan's method for allocating income and loss as provided under Section 5.05.

(e) The amount of the excess Tax Deferred Contributions to be returned pursuant to subsection (b) for a Plan Year shall be reduced by the amount of excess Tax Deferred Contributions previously distributed to the Highly Compensated Employee pursuant to Section 5.01(b) for such Employee's taxable year ending on or within the Plan Year for which the excess Tax Deferred Contributions are returned pursuant to subsection (b).

5.03 Limitation on After-Tax Contributions and Matching Contributions for Highly Compensated Employees.

(a) For each Plan Year the average of the Actual Contribution Percentages for Participants who are Highly Compensated Employees shall be compared to the average of the Actual Contribution Percentages for the other Participants; the average of the Actual Contribution Percentages for Participants who are Highly Compensated Employees shall not exceed the greater of:

(1) the average of the Actual Contribution Percentages for Participants who are Non-Highly Compensated Employees for the preceding Plan Year multiplied by 1.25; or

(2) the lesser of:

(A) the average of the Actual Contribution Percentages for Participants who are Non-Highly Compensated Employees for the preceding Plan Year multiplied by two, or

(B) the average of the Actual Contribution Percentages for Participants who are Non-Highly Compensated Employees for the preceding Plan Year plus two.

In the event that the Plan satisfies the requirements of section 401(a)(4), 401(m) or 410(b) of the Code only if aggregated with one or more other qualified retirement plans, or if one or more other qualified retirement plans satisfy the requirements of these sections only if aggregated with the Plan, then this subsection (a) shall be applied as if all such plans were a single plan.

(b) If in any Plan Year the average of the Actual Contribution Percentages for Participants who are Highly Compensated Employees exceeds the limit in subsection (a) for a Plan Year, the Plan Manager shall:

(1) determine the amount by which the Actual Contribution Percentage for Highly Compensated Employee or Employees with the highest Actual Contribution Percentage or Percentages for the Plan Year would need to be reduced to comply with the limit in subsection (a);

(2) convert the excess percentage amount determined under clause (1) into a dollar amount; and

(3) reduce the After-Tax Contributions (including any Tax Deferred Contributions recharacterized as After-Tax Contributions pursuant to Section 5.02(b)(4)(B)) and then, to the extent necessary, the Matching Contributions of the Highly Compensated Employee with the greatest dollar amount of aggregate After-Tax and Matching Contributions made on their behalf with respect to the Plan Year by the lesser of (A) the amount by which the dollar amount of the affected Highly Compensated Employee's aggregate After-Tax and Matching Contributions exceeds the dollar amount of the Highly Compensated Employee with the next highest dollar amount of After-Tax and Matching Contributions, or (B) the amount equal to the excess dollar amount determined under clause (2); and

(4) either:

(A) direct the Trustee to return the excess After-Tax Contributions and vested Matching Contributions, as adjusted in accordance with subsection (c), to the individuals from whose Accounts the excess Matching Contributions were obtained within two and one-half months following the close of the Plan Year, if administratively practicable, but in no event later than the close of the following Plan Year; or

(B) make Qualified Nonelective Non-ESOP Contributions, as described under Section 4.05, to the extent necessary to satisfy the limit under subsection (a); and

(5) direct the Trustee to forfeit the excess unvested Matching Contributions, as adjusted in accordance with subsection (c), to the individuals from

whose Accounts the excess Matching Contributions were obtained. Amounts forfeited during the Plan Year shall be used to reduce future Matching Contributions made by the Employer.

(c) To the extent that a Matching Contribution relates to excess After-Tax Contributions returned pursuant to subsection (b)(4), such Matching Contributions, as adjusted in accordance with subsection (d), shall be forfeited immediately. Amounts forfeited during the Plan Year shall be used to reduce future Matching Contributions made by the Employer.

(d) The excess After-Tax and Matching Contributions returned or recharacterized pursuant to subsection (b) shall be adjusted for any income or loss thereon up to the date of the distribution or forfeiture, as applicable, using the Plan's method for allocating income and loss as provided under Section 5.05.

5.04 Limitations on Allocations.

(a) The maximum allowable addition to any Participant's Accounts for any Plan Year shall be the lesser of:

(1) $40,000 (as adjusted under section 415(d) of the Code); or

(2) 100% of the Participant's Testing Compensation for the Plan Year.

For purposes of this Section 5.04, an addition shall not include Tax Deferred Contributions made pursuant to Section 4.01(b) and Rollover Contributions but shall include all other contributions and forfeitures allocated to a Participant's Accounts for the Plan Year, and all contributions and forfeitures under any other defined contribution plan of the Company or an Affiliate (other than elective deferral contributions made pursuant to section 414(v) of the Code).

(b) If the addition to any Participant's Accounts (other than his Rollover Account) for any Plan Year exceeds the maximum annual allowable addition to such Participant's Accounts under subsection (a), then the excess amount shall be eliminated by reducing the additions made to such Participant's account, by first reducing the Participant's After-Tax Contributions and related Matching Contributions to the extent necessary or, if less, to the extent the After-Tax Contributions made with respect to the Plan Year are exhausted. To the extent there is an excess remaining after this reduction, the Tax Deferred Contributions and related Matching Contributions made on behalf of such Participant shall be reduced. To the extent that an excess remains after this reduction, the Matching Contribution of the Participant shall be reduced. Any After-Tax or Tax Deferred Contributions reduced pursuant to this subsection (b) shall be returned to the Participant. Any Matching Contributions reduced pursuant to this subsection (b) shall be held in a suspense account (which shall share in the investment gains and losses of the Fund) by the Trustee until the following Plan Year. Such amounts shall be used in the following Plan Year to reduce the Matching Contributions otherwise payable by the Employer by which the Participant is employed in such subsequent Plan Year. Effective January 1, 2008, notwithstanding anything herein to the contrary, any annual additions that are determined to be excess under this Section shall only be corrected as permissible under applicable guidance, including the Employee Plans Compliance Resolution System that is issued by the Internal Revenue Service.

(c) In no event shall the amount allocated to the Account of any Participant for any Limitation Year cause the sum of the “defined contribution fraction” and the “defined benefit fraction,” as such terms are defined in section 415(e) of the Code, to exceed 1.0, or such other limitation as may be applicable under section 415 of the Code with respect to any combination of qualified plans of the Employer or an Affiliate without disqualification of any such plan. In the event that the amount tentatively available for allocation to the Account of any Participant in any Limitation Year exceeds the maximum amount permissible hereunder, benefits under the defined benefit plan or plans in which the Participant is participating shall be adjusted to the extent necessary to satisfy the requirements of section 415(e) of the Code. Notwithstanding the foregoing, the limitations described above in this subsection (c) shall not apply with respect to payments due on or after the first day of the limitation year beginning January 1, 2000; provided, however, that the aggregate benefits payable to, or on account of, a Participant who is not credited with an Hour of Service on or after January 1, 2000 shall continue to be subject to the limitations described above in this subsection (c).

5.05 Distribution or Forfeiture of Income. Effective January 1, 2008, any distribution or forfeiture of Tax Deferred Contributions, After-Tax Contributions or Matching Contributions necessary pursuant to Section 5.02 and 5.03 shall include a distribution or forfeiture of the income, if any, allocated to such contributions determined as of the last day of the Plan Year preceding such distribution without regard to Gap Period Income

5.06 Overall Deductibility Limit. In no event may the aggregate contribution made by an Employer under the Plan for a Plan Year exceed the amount that may be deducted under section 404 of the Code with respect to such Plan Year.

ARTICLE VI

INVESTMENT AND VALUATION OF ACCOUNTS

6.01 Investment Direction by Participants. Except as otherwise provided in Section 6.02, each Participant shall direct the Trustee to invest the amounts credited to his Accounts in one or more Investment Funds, subject to the rules and procedures established by the Plan Manager. A Participant’s investment direction shall be made at the time and in the manner prescribed by the Plan Manager. If any balance remains in a Participant’s Accounts after his death, his Beneficiary shall direct the investment of the amounts credited to the Accounts as if the Beneficiary were the Participant. To the extent required by a Qualified Domestic Relations Order, the alternate payee of a Participant shall direct the investment of the amounts credited to the Participant’s Accounts as though the alternate payee were the Participant. To the extent a

Participant, Beneficiary or alternate payee directs the investment of the amounts credited to his Accounts, this Plan is intended to be subject to section 404(c) of ERISA, as described under Section 6.07. To the extent that a Participant, Beneficiary or alternate payee does not direct the investment of his Account, his or her Account shall be invested pending such direction in the Qualified Default Investment Alternative; provided that effective January 1, 2011, the default investment for Matching Contributions shall be the Unisys Common Stock Fund. Notwithstanding the foregoing, the Investment Committee shall have the right to adopt rules and procedures to govern Participant, Beneficiary or alternate payee investment elections and directions under the terms of the Plan, whether or not such rules and procedures are required by the investment funds.

6.02 Restrictions on Participant Investment Direction. Notwithstanding the investment direction otherwise provided to Participants under Section 6.01, the restrictions set forth below shall apply to the availability of investment direction to Participants.

(a) For periods prior to February 1, 2000, a Participant may not direct the investment of amounts held under his GPEP Account. Instead, with respect to such periods, a Participant's GPEP Account shall be invested solely in the Unisys Common Stock Fund.

(b) The portion of a Participant's ESOP Account and Regular Account (excluding amounts attributable to the Burroughs Plan or the Sperry Plan) contributed in the form of Unisys stock attributable to amounts contributed prior to January 1, 2007 shall be invested solely in the Unisys Common Stock Fund until the Plan Year in which the Participant is expected to attain age 50. As of the first day of the Plan Year in which the Participant is expected to attain age 50, a Participant may direct the investment of the portion of his ESOP Account and Regular Account attributable to amounts contributed prior to January 1, 2007 in accordance with Section 6.01. Effective January 1, 2007, a Participant may direct the investment of the portion of his ESOP Account and Regular Account in accordance with Section 6.01, regardless of age.

(c) Generally, the portion of a Participant's Accounts attributable to the Sperry Plan may be invested in accordance with Section 6.01; provided, however, that any amounts that a Participant directed to have invested in the Unisys Common Stock Fund prior to January 1, 2007 must remain in such Investment Fund until the first day of the Plan Year in which the Participant is expected to attain age 50. Effective January 1, 2007, a Participant may direct the investment of the portion of his Accounts attributable to the Sperry Plan that the Participant directed to have invested in the Unisys Common Stock Fund in accordance with Section 6.01, regardless of age.

6.03 Investment Funds. The Investment Funds available under the Plan (other than the Unisys Common Stock Fund) shall be designated by, and at the sole discretion of, the Investment Committee, provided that, effective January 13, 2011, in no event shall there be more than 25 Investment Funds available under the Plan, including the Unisys Common Stock Fund as provided in Section 6.05, and one or more life-cycle or target-retirement-date funds whose assets are allocated based on each such fund's target date. The Investment Committee, at its sole discretion, may from time to time designate or establish new investment funds or eliminate existing Investment Funds (other than the Unisys Common Stock Fund). Investment in any Investment Fund shall be made in accordance with rules formulated by the Investment Committee and the accounting procedures applied under the Plan shall be modified by the Investment Committee to the extent they deem appropriate to reflect investments in that Investment Fund. The Investment Committee has the authority to select and appoint Investment Managers. The Investment Funds may be managed by the Trustee or an Investment Manager. Pending investment, reinvestment or distribution, as provided in the Plan, the Trustee or Investment Manager may temporarily retain the assets of any one or more Investment Funds in cash, commercial paper, short-term government obligations or, unless otherwise directed by the Investment Committee, undivided interests or participations in common or collective funds consisting of short-term investments, including funds of the Trustee or Investment Manager.

6.04 Valuation of the Fund. As of each Valuation Date, any increase or decrease in the fair market value of each Investment Fund (net after deduction of liabilities) since the preceding Valuation Date shall be credited to or deducted from the Accounts, if any, of each Participant. The allocation for each Investment Fund shall be made in the proportion that the balance in each Account invested in the Investment Fund as of the Valuation Date bears to the aggregate balance in all Accounts invested in the Investment Fund on that date. For purposes of the preceding sentence, the Employer's contributions to the Plan for the current year shall be excluded. The fair market value of investments shall be determined in accordance with any reasonable method permitted under regulations prescribed by the United States Department of the Treasury and such reasonable and uniform rules as the Trustee may adopt.

6.05 Unisys Common Stock Fund. The Investment Funds under the Plan shall include the Unisys Common Stock Fund, which is an Investment Fund providing for investment and reinvestment exclusively in Unisys Stock, except to the extent cash is held to facilitate purchases and sales within the fund. Investments in the Unisys Common Stock Fund shall be accounted for on the basis of units of the Unisys Common Stock Fund. Shares of Unisys Stock and cash received by the Unisys Common Stock Fund that are attributable to dividends, stock dividends, stock splits or to any reorganization or recapitalization of Unisys Corporation shall remain in or be invested in, as applicable, the Unisys Common Stock Fund and allocated to the Participant Accounts in proportion to the number of units of the Unisys Common Stock Fund held in such accounts. The transfer taxes, brokerage fees and other expenses incurred in connection with the purchase, sale or distribution of Unisys Stock, including Unisys Stock contributed as Matching Contributions, shall be paid by the Unisys Common Stock Fund. In addition, the Unisys Common Stock Fund shall bear any other administrative fees and expenses incurred by the Plan in connection with the transfer of the Participant's interest in the Unisys Common Stock Fund. The voting and tendering of Unisys Stock held in the Unisys Common Stock Fund shall be subject to the following:

(a) For purposes of this Section, shares of Unisys Stock shall be deemed to be allocated and credited to each applicable Account of the Participant in an amount to be determined based on the balance in such account on the accounting date coincident with or next preceding the record date of any vote or tender offer and the closing price of Unisys Stock on such accounting date or if not traded on that date, on the business day on which shares of Unisys Stock were last traded before that accounting date.

(b) Each Participant who has any amounts under his Account invested in the Unisys Common Stock Fund shall be given notice by the Trustee of the date and purpose of each meeting of the stockholders of the Company at which shares of Unisys Stock are entitled to be voted, and instructions shall be requested from each such Participant as to the voting at the meeting of such Unisys Stock. If the Participant furnishes instructions within the time specified in the notification given to him, the Trustee shall vote such Unisys Stock in accordance with the Participant's instructions. Shares of Unisys Stock that have not been credited to any Participant's Account or for which no instructions were timely received by the Trustees, whether or not credited to the Account of any Participant shall be voted by the Trustee in the same proportion that the allocated and voted shares of Unisys Stock have been voted by Participants. The Investment Committee shall establish procedures under which notices shall be furnished to Participants as required by this subsection (b) and under which the Participants' instructions shall be furnished to the Trustee.

(c) Each Participant who has any amounts under his Account invested in the Unisys Common Stock Fund shall be given notice of any tender offer for, or a request or invitation for tenders of, Unisys Stock made to the Trustees. Instructions shall be requested from each such Participant as to the tendering of shares of Unisys Stock credited to his Account and for this purpose Participants shall be provided with a reasonable period of time in which they may consider any such tender offer for, or request or invitation for tenders of, Unisys Stock made to the Trustees. The Trustees shall tender such Unisys Stock as to which the Trustees have received instructions to tender from Participants within the time specified. Unisys Stock credited to an Account as to which the Trustee has not received instructions from a Participant shall not be tendered. Shares of stock that have not been credited to any Participant's Account shall be tendered by the Trustee in the same proportion that the allocated and tendered shares of Unisys Stock have been tendered by Participants. The Investment Committee shall establish procedures under which notices shall be furnished to Participants as required by this subsection (c) and under which the Participants' instructions shall be furnished to the Trustee. In carrying out their responsibilities under this subsection (c) the Trustees may rely on information furnished to them by (or under procedures established by) the Investment Committee.

(d) For all purposes of this Section 6.05, the number of shares of Unisys Stock held in a Participant's Account which are invested in the Unisys Common Stock Fund shall be the number of shares of Unisys Stock represented by the number of units held in such accounts after reducing such number of units by the number of units in such accounts which represent cash.

(e) With respect to Participants subject to Section 16 of the Securities Exchange Act of 1934, the Investment Committee shall apply any requirements or restrictions required for the Plan to obtain the protections of Rule 16b-3 under the Securities Exchange Act of 1934 or any successor Rule or regulation intended to replace Rule 16b-3.

6.06 Special Rule Regarding Appraisal of Unisys Stock. If at any time the Unisys Stock held by the ESOP Portion of the Plan is not readily tradable on an established securities market, all valuations of such Unisys Stock with respect to activities carried on by the Plan shall be made by an independent appraiser meeting the requirements of section 401(a)(28) of the Code.

6.07 Section 404(c) Compliance. The Plan is intended to constitute a plan described in section 404(c) of ERISA and section 2550.404c-1 of the United States Department of Labor regulations. Thus, no fiduciary of the Plan shall be liable for any loss, or by reason of any breach, which results from any investment direction made by a Participant, Beneficiary or alternate payee under a Qualified Domestic Relations Order. The Company or its delegate shall comply with, or monitor compliance with, as required, all disclosure and other responsibilities described in sections 2550.404c-1(b)(2)(i)(A) and (b)(2)(i)(B)(1) of the United States Department of Labor regulations except that the Trustee shall monitor compliance with those procedures established to provide confidentiality of information relating to the exercise of voting and tender rights by Participants. If the Company determines that a situation has potential for undue influence by the Company, the Company shall direct an independent party to perform such activities as are necessary to ensure the confidentiality of the rights of Participants.

ARTICLE VII

VESTING

7.01 Vesting Schedule.

(a) A Participant shall at all times be fully vested in the balance of his After-Tax Account, Tax Deferred Account, GPEP Account, Tax Deductible Contribution Account, and Rollover Account.

(b) A Participant employed by an Employer on or after January 1, 2000 shall be fully vested in his ESOP Account and Regular Account. Before January 1, 2000, a Participant generally was fully vested in his ESOP Account and Regular Account upon his completion of a five-year period of Service; provided, however, that:

(1) a Participant who was formerly a participant in CTIP who incurs a Severance from Employment after October 1, 1992 was at all times fully vested in his Regular Account and ESOP Account.

(2) a Participant who was formerly a participant in the Burroughs Plan who incurred a Termination of Employment after March 31, 1988, before being credited with five years of Service, or who incurred a Termination of Employment on or

before March 31, 1988, before being credited with ten years of Service, shall continue to be vested in the portion of his Account, if any, attributable to his vested matching contributions previously made under the Burroughs Plan in accordance with the terms of the Burroughs Plan on March 31, 1988.

Notwithstanding the foregoing, however, a Participant shall be 100% vested in his ESOP and Regular Account upon the earliest of his attainment of Normal Retirement Age or death, regardless of the number of his years of Service if such event occurs prior to his Termination of Employment.

Effective January 1, 2007, a Participant shall be treated as in the employment of the Employer or an Affiliate for purposes of the accelerated vesting provisions set forth herein if he or she is absent from employment due to performing qualified military service under section 414(u) of the Code and dies during such absence from employment.

7.02 Forfeitures.

(a) The unvested portion of a Participant's Accounts shall be forfeited as of the earlier of the date described in paragraphs (1) and (2) below:

(1) as of the last day of the Plan Year in which a Participant incurs a Period of Severance equal to five consecutive years;

(2) the last day of the Plan Year in which the Participant receives a distribution of his vested interest under the Plan.

(b) For purposes of subsection (a), a Participant who terminates employment with the Employer and all Affiliates and has no vested interest in his Accounts at such time, shall be deemed to have received a single sum payment of his entire vested interest in his Accounts as of the date of his Termination of Employment. Restorations pursuant to this subsection (b) shall be made from currently forfeited accounts in accordance with subsection (d), or from additional contributions by the Employer.

(c) If a Participant whose unvested Account balance is forfeited in accordance with this Section 7.02 is rehired by the Company, an Affiliate, or an Associated Company before incurring a five-year Period of Severance, any amount forfeited under this Section 7.02 shall be restored to his Accounts. Restorations pursuant to this subsection (c) shall be made from currently forfeited amounts in accordance with subsection (d) or from additional contributions by the Employer.

(d) Amounts forfeited in accordance with this Section 7.02 with respect to a Plan Year shall be used first to restore future amounts required to be restored in accordance with subsections (b) or (c) with respect to the Plan Year. After such restoration, if any, is made, such amounts shall be used to reduce the Matching Contribution of the Employer of the Employee to whom the forfeiture relates or pay Plan expenses.

ARTICLE VIII

AMOUNT OF BENEFITS

8.01 Benefits Upon Severance from Employment. A Participant who incurs a Severance from Employment for a reason other than death shall be entitled to a distribution of the entire vested balance of his Accounts as of the Valuation Date coincident with or immediately preceding his Benefit Commencement Date.

8.02 Death Benefits. If a Participant's Severance from Employment occurs by reason of his death, his Beneficiary shall be entitled to a distribution of the entire vested amount credited to the Participant's Accounts as of the Valuation Date coincident with or next following his Benefit Commencement Date.

ARTICLE IX

PAYMENT AND FORM OF BENEFITS

9.01 Form of Benefit Paid to Participant.

(a) Unless a Participant elects otherwise in accordance with subsection (b), any benefit due a Participant under Article IX shall be paid in a single sum, subject to 9.04. If the vested Account balance to which a Participant is entitled is zero as of the date of the Participant's Severance from Employment, such Participant shall be deemed to have received a single sum payment of his entire vested Account balance under the Plan as of such date.

(b) If a Participant's vested Account balance exceeds $1,000 as of his Benefit Commencement Date, he may, in lieu of the single sum payment prescribed under subsection (a), elect an optional form of distribution; provided that such election must be in writing and be made within the Notice Period in the manner prescribed by the Plan Manager. Effective January 1, 2007, the Participant shall be provided with information regarding the consequences of failing to defer distribution of his vested Account balance until such later date as permitted under the Plan. The optional forms of distribution among which a Participant may elect shall be determined as follows:

(1) an annuity as described below:

(A) Unless an optional form of annuity is elected under paragraph (B), the normal form of an annuity for a married participant is a Qualified Joint and Survivor Annuity and the normal form of annuity for an unmarried participant is a single life annuity.

(B) Subject to the election requirements described in this paragraph (B), a Participant described under this paragraph (B) may elect to receive one of the following forms of annuities in lieu of the normal form of annuity described under paragraph (A):

(i) a reduced monthly pension payable to the Participant for life and after his death, 50% to his Beneficiary for life; or

(ii) a single life annuity; or

(iii) effective January 1, 2008, a reduced monthly pension payable to the Participant for life and after his death, 75% to his surviving Spouse for life (this option is available only to married Participants) .

An election under this paragraph (B) is only valid if (i) it is in writing, (ii) it is made within the Notice Period, and (iii) the Participant's Spouse, if any, consents to the form of benefit in writing and such consent is witnessed by a notary public or an authorized representative of the Plan. Such election will not be valid, however, if it is made before the Participant receives, within the Notice Period, an explanation from the Plan Manager of (i) the terms and conditions of the normal form of annuity and the other forms of benefit available to him under the Plan, (ii) the Participant's ability to make, and the effect of, an election to waive the normal form of annuity, (iii) to the extent applicable, the rights of the Participant's Spouse; and (iv) the Participant's ability to make, and the effect of, a revocation of a previous waiver of the normal form of annuity. Notwithstanding the foregoing, the consent of the Participant's Spouse is not required if the Participant elects option (iii) above.

(2) monthly, quarterly, semi-annual or annual installments payable over a period of no less than one-year and no greater than 20 years.

9.02 Benefit Commencement Date.

(a) Except as provided under this Article IX, if the Participant's vested Account balance as of his Benefit Commencement Date does not exceed $1,000, his benefit under the Plan shall be paid in a single sum as soon as administratively practicable following the Valuation Date coinciding with or next following date of the Participant's termination of employment with Employer.

(b) Except as otherwise provided under this Article IX, if the Participant's vested Account balance as of his Benefit Commencement Date is greater than $1,000, the benefit payable to a Participant in accordance with Article VIII shall be paid or commence as of the first day of the month following the Participant's attainment of Normal Retirement Age. If the Participant's Severance from Employment occurs before his attainment of Normal Retirement Age, however, the Participant may elect, in writing, to have his benefit paid or commence on the first day of any month following the month in which his Severance from Employment occurred.

9.03 Form and Payment of Death Benefit. A Participant shall designate a Beneficiary or Beneficiaries to receive any benefits which may be payable under the Plan in the event of his death. If the vested Account balance to which a Beneficiary is entitled is $1,000 or less, such amount shall be paid in a single sum, subject to Section 9.04. If the Account balance payable upon a Participant's death is zero, the Participant's Beneficiary shall be deemed to have received a single sum payment of the

Participant’s entire Account balance under the Plan or on the date of the Participant’s death. If the vested Account balance exceeds $1,000, the form of the death benefit shall be determined as follows:

(a) If a married Participant dies before his Benefit Commencement Date:

(1) if the Participant dies after electing an annuity payment in accordance with Section 9.01(b) and his sole Beneficiary is his surviving Spouse, unless his surviving Spouse elects otherwise in accordance with subsection (b), the Participant’s vested Account balance shall be paid to his surviving Spouse in the form of a single life annuity;

(2) if (A) a Participant is unmarried at the time of his death, or (B) is married but either (i) did not elect an annuity form of payment under Section 9.01(b) of the Plan prior to his death, or (ii) designated a Beneficiary other than or in addition to his Spouse, the Participant’s vested Account balance shall be paid to his Beneficiary in a single sum, subject to Section 9.04.

(b) If a Participant dies before his Benefit Commencement Date, his Beneficiary may elect one of the following forms of payment in lieu of the form described under subsection (a):

(1) an immediately payable single sum;

(2) a single life annuity; or

(3) monthly installment payments over a period of no less than the life expectancy of the Beneficiary.

(c) If a Participant dies on or after his Benefit Commencement Date but before the entire amount of his benefit has been paid, the remaining amount shall be paid to his Beneficiary in the form and over the period being used at the Participant’s date of death.

With respect to a Benefit Commencement Date beginning before March 22, 1999, the $1,000 threshold under this Section 9.03 shall take into account all amounts withdrawn or distributed prior to such Benefit Commencement Date.

9.04 Form of Single Sum Distributions. If a benefit under the Plan is payable in a single sum, such amount shall generally be paid in cash. However, a Participant or Beneficiary entitled to a distribution may elect, in the form and manner prescribed by the Plan Manager, to receive the vested balance of the Account invested in the Unisys Common Stock Fund in the form of whole shares of Unisys Stock (and cash with respect to fractional shares). Before any distribution is made from the Plan in a single sum, the portion of a Participant’s ESOP Account that has been invested in Investment Funds other than the Unisys Common Stock Fund, shall be automatically reinvested in the Unisys Common Stock Fund before distribution.

9.05 Put Options. If the Unisys Stock held under the ESOP Portion of the Plan is not readily tradable on an established securities market (within the meaning of section 409(h)(1)(B) of the Code), any Participant who is entitled to a distribution of such shares from the Plan shall have a right to require the Company to repurchase such shares in accordance with section 409(h)(1)(B) of the Code. Unisys Stock held under the ESOP Portion of the Plan shall not be subject to a put, call, or other option, or a buy-sell or similar arrangement either while held by the Plan or when distributed to or on account of a Participant whether or not the Plan is then an Employee Stock Ownership Plan.

9.06 Direct Rollovers. In the event any payment or payments to be made under the Plan to a Participant, a Beneficiary who is the surviving Spouse of a Participant, or an alternate payee who is the former spouse of a Participant, would constitute an "eligible rollover distribution," such individual may request that such payment or payments be transferred directly from the Plan to the trustee of an "eligible retirement plan." Any such request shall be made in writing, on the form prescribed by the Plan Manager for such purpose, at such time in advance as the Plan Manager may specify.

For purposes of Section 9.06, an "eligible rollover distribution" shall mean a distribution from the Plan, excluding (1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) over the life (or life expectancy) of the individual, the joint lives (or joint life expectancies) of the individual and the individual's designated Beneficiary, or a specified period of ten or more years, (2) any distribution to the extent such distribution is required under section 401(a)(9) of the Code, (3) any hardship distribution described in section 401(k)(2)(B)(i)(IV) of the Code; and (4) any other distribution that does not qualify as eligible for rollover. A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of After-Tax Contributions which are not includible in gross income. The nontaxable portion of an "eligible rollover distribution" may be rolled over tax-free to an eligible rollover plan as specified below if the eligible rollover plan provides for separate accounting of the amount transferred and earnings on such amounts.

For purposes of Section 9.06, an "eligible retirement plan" shall mean (i) an individual retirement account described in section 408(a) of the Code, (ii) an individual retirement annuity described in section 408(b) of the Code (other than an endowment contract), (iii) an annuity plan described in section 403(a) of the Code, (iv) a qualified plan under section 401(a) of the Code, the terms of which permit the acceptance of rollover distributions, (v) an eligible deferred compensation plan described in section 457(b) of the Code that is maintained by an eligible employer described in section 457(e)(i)(A) of the Code that shall separately account for the distribution, or (vi) an annuity contract described in section 403(b) of the Code; provided, however, that with respect to a distribution (or portion of a distribution) consisting of After-Tax Contributions, "eligible rollover plan" shall mean a plan described in clause (i), (ii), (iii), (iv) or (vi) effective January 1, 2007.

Effective January 1, 2008, a "qualified rollover contribution" as described in section 408A(e) of the Code may be made from the Plan to a Roth individual retirement account in a direct rollover subject to the rules set forth in section 408A of the Code and any regulations issued there under.

Effective April 15, 2009, any distribution of benefits to the Beneficiary of a deceased Participant who is not the surviving Spouse of the Participant may be transferred in a direct transfer to an individual retirement account or annuity under sections 408(a) and (b) of the Code established for the purpose of receiving such distribution and which will be treated as an inherited individual retirement account pursuant to the provisions of section 402(c)(11) of the Code, if such distribution otherwise meets the requirements set forth above. Such direct rollover of a distribution by a nonspouse Beneficiary shall be treated as an eligible rollover distribution only for purposes of section 402(c) of the Code. An eligible retirement plan shall include an individual retirement account or annuity under sections 408(a) and (b) of the Code established for the purpose of receiving a distribution that is rolled over from a nonspouse distributee, but only if the conditions set forth herein above are satisfied. Distributee shall include a nonspouse Beneficiary, but only if the conditions set forth above are satisfied.

9.07 Minimum Required Distribution. If a Participant is a 5% owner of the Employer (as determined under section 416 of the Code), or if a Participant attained age 70 ½ before January 1, 2002, he or she shall receive, with respect to each calendar year during which and following the calendar year in which he attained age 70 ½, the minimum required distribution amount described under section 401(a)(9) of the Code and the regulations thereunder. In no event shall the first minimum required distribution be made later than the April 1 of the calendar year following the calendar year in which he attained age 70 ½. The amount of such distribution shall be determined in accordance with section 401(a)(9) of the Code and the regulations thereunder. The amount of minimum required distributions for calendar years prior to 2003 shall be determined and made in accordance with the regulations under section 401(a)(9) of the Code that were proposed in 1987, including the minimum distribution incidental benefit requirement of section 1.401(a)(9)-2 of the proposed regulations. The amount of minimum required distributions for the 2003 calendar year and thereafter shall be determined and made in accordance with the final regulations promulgated under section 401(a)(9) of the Code, including the minimum distribution incidental benefit requirement of Q&A-1(d) of section 1.401(a)(9)-5 of the final regulations.

9.08 Minimum Required Distribution Waiver. Effective January 1, 2009 and in accordance with Internal Revenue Service Notice 2009-9 and section 401(a)(9)(H) of the Code as introduced by the Worker, Retiree, and Employer Recovery Act of 2008, each Participant and Beneficiary with respect to the Plan Year commencing 2009 who otherwise would be required to receive a minimum required distribution or one or more payments in a series of substantially equal distributions made at least annually and expected to last for the life of the Participant (or life expectancy) or the joint lives of the Participant and his Beneficiary (or joint life expectancies of the Participant and his Beneficiary) or for a period of at least ten years, may elect to waive receipt of the minimum amount payable with respect to the 2009 Plan Year or to receive the minimum required distribution amount for the 2009 Plan Year in accordance with rules and procedures established by the Plan Manager. A direct rollover will be offered only for those distributions that would otherwise constitute eligible rollover distributions without regard to section 401(a)(9)(H) of the Code.

ARTICLE X

WITHDRAWALS AND LOANS

10.01 General. A Participant may withdraw amounts from his Account to the extent provided under this Article X and, if applicable, in accordance with Appendix B. Any withdrawal shall be considered the distribution of a portion of the Participant's benefit and shall be paid in a single sum. A withdrawal shall be disregarded, however, for purposes of determining whether the Participant's Benefit Commencement Date has occurred. A Participant's request for a withdrawal must be made in writing within the period prescribed by the Plan Manager. The amount of the withdrawal shall be divided proportionally among the Investment Funds in which the Accounts from which the withdrawal is to be made are invested. Withdrawals shall be made in accordance with the procedures established by the Plan Manager.

10.02 Withdrawals from After-Tax Account. Subject to the requirements set forth in Section 10.01, a Participant who is an Employee may withdraw all or a portion of the balance of his After-Tax Account (other than earnings on After-Tax Contributions made on or after January 1, 1987), up to one time in any six-consecutive month period. Withdrawals from a Participant's After-Tax Account shall be made in the following order:

(a) After-Tax Contributions made before January 1, 1987; then

(b) Amounts relating to After-Tax Contributions after December 31, 1986, including a pro-rata portion of the earnings thereon; and then

(c) Earnings on After-Tax Contributions made before January 1, 1987.

10.03 Withdrawals from Tax Deductible Contribution Account and Rollover Account. Subject to the requirements set forth in Section 10.01, a Participant may withdraw all or a portion of the balance of his Tax Deductible Contribution Account or Rollover Account at any time.

10.04 Withdrawals from Regular Account. Subject to the requirements set forth in Section 10.01, a Participant who is an Employee may withdraw all or a portion of the balance of his Regular Account, up to one time in any six-consecutive month period if the following requirements are met:

(a) the Participant has withdrawn the entire balance of his After-Tax Account; and

(b) the Participant's aggregate years of participation in this Plan and any Prior Plan is five years.

10.05 Withdrawals from ESOP Account. Subject to the requirements set forth in Section 10.01, a Participant who is an Employee may withdraw all or a portion of the vested balance of his ESOP Account (other than the portion of his ESOP Account attributable to Matching Contributions made on or after January 1, 2007), up to one time in any six-consecutive month period if the following requirements are met:

(a) the Participant has withdrawn the entire balance of his After-Tax Account and his Regular Account; and

(b) the Participant's aggregate years of participation in this Plan and any Prior Plan is five years.

10.06 Withdrawals from GPEP Account. Subject to the requirements set forth in Section 10.01, a Participant who is an Employee and who has withdrawn the entire balance of his After-Tax Account and his Regular Account may, up to one time in any six consecutive month period, withdraw the portion of the balance of his GPEP Account attributable to Contributions made at least 36-months prior to the date the withdrawal is requested.

10.07 Hardship Withdrawals.

(a) Subject to the requirements set forth in Section 10.01 and in subsection (b) of this Section 10.07, and, if applicable, in accordance with Appendix B, a Participant may elect a withdrawal from his Tax Deferred Account (excluding any earnings credited after December 31, 1988), on account of an immediate and heavy financial hardship; provided, however, that the amount of such withdrawal must be necessary to satisfy the immediate and heavy financial need as determined under subsections (c) and (d).

(b) In the event a Participant receives a withdrawal under this Section 10.07, the Participant shall be both ineligible to have Tax Deferred Contributions made on his behalf and ineligible to make After-Tax Contribution for the 6-month period following his receipt of the withdrawal.

(c) For purposes of this Section 10.07, an immediate financial hardship is expenses incurred as a result of:

(1) medical care described in section 213(d) of the Code incurred by the Participant, the Participant's spouse, or any dependents of the Participant as defined in Treas. Reg. Section 1.401(k)-1(d)(3)(iii)(B)(3) (or the distribution is necessary for such persons to obtain such medical care);

(2) the purchase (excluding mortgage payments) of a principal residence for the Participant;

(3) the payment of tuition and related educational fees for the next 12 months of post-secondary education for the Participant, his spouse, children or dependents (as defined in Treas. Reg. Section 1.401(k)-1(d)(3)(iii)(B)(3));

(4) the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income);

(5) the need to prevent the eviction of the Participant from, or foreclosure on the mortgage of, the Participant's principal residence;

(6) payments for burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents (as defined in Treas. Reg. Section 1.401(k)-1(d)(3)(iii)(B)(3));

(7) federal, state or local income taxes or penalties reasonably anticipated to result from the distribution; or

(8) such other circumstances as may be prescribed by the Secretary of the Treasury or his delegate.

The final determination of whether an immediate and heavy financial hardship exists shall be determined by the Plan Manager, which shall be under no obligation to verify independently the facts of hardship submitted by a Participant. Unless the Plan Manager or its designee has actual knowledge to the contrary, the Plan Manager shall be entitled to rely upon an affidavit signed by the Participant as proof of the elements necessary for a hardship withdrawal.

(d) For purposes of this Section 10.07, a withdrawal shall be deemed to be in the amount necessary to alleviate an immediate financial hardship if:

(1) the amount of the withdrawal does not exceed the amount required to satisfy the immediate and heavy financial need;

(2) the Participant has obtained all available withdrawals and distributions from his Regular Account, ESOP Account, GPEP Account, Tax Deductible Contribution Account, Rollover Account, and After-Tax Contribution Account; and

(3) the Participant has obtained all nontaxable loans currently available to the Participant from the Plan and all plans maintained by the Company or an Affiliate.

10.08 Withdrawals after Age 59 1/2. Subject to the requirements set forth in 10.01, after he has attained age 59 1/2, a Participant may withdraw all or any portion of his vested interest in his Account, up to one time in any six-consecutive month period.

10.09 Military Withdrawals. Effective January 1, 2009, a Participant receiving differential military pay shall be treated as having a Severance from Employment for purposes of taking a distribution of that portion of his or her Account consisting of Tax Deferred Contributions if he or she is absent from employment due to performing service in the uniformed services described in section 3401(h)(2)(A) of the Code. If a Participant elects to take a distribution pursuant to the foregoing, he or she shall be precluded from electing to have the Employer contribute Tax Deferred Contributions from his or her Compensation on his or her behalf to the Plan for six months following the date of the distribution.

10.10 Loans to Participants. The Plan Manager may, in his discretion, cause the Plan to lend to any qualified Participant an amount, as requested by the Participant, from his Accounts (excluding amounts held in his Tax Deductible Contribution Account or GPEP Account), upon such terms as the Plan Manager may see fit and, if applicable, in accordance with Appendix B.

(a) Qualification for Loans. A Participant is eligible for a Plan loan if he is (1) an Employee, or (2) a Participant who is a party in interest, as determined under section 3(14) of ERISA.

(b) Amount of Loan. The amount lent to any Participant shall not exceed the lesser of:

(1) the lesser of $50,000 or 50% of the amount in the Participant’s vested interest in his Accounts; or

(2) the greater of $10,000, or one-half of the value of the vested portion of the Employee’s accounts under all plans maintained by the Employer and all Affiliates.

For purposes of determining the maximum amount of a loan under this subsection (b), the balance of a Participant’s Tax Deductible Contribution Account and GPEP Account shall be disregarded. The minimum amount of any loan made to a Participant shall be set by the Plan Manager from time to time, in a uniform and nondiscriminatory manner. A Participant may not have more than one loan outstanding at any time.

(c) Loan Term; Interest Rates. Each loan shall be repaid within no less than one year and no more than five years from the date the loan is made, unless the loan proceeds are used to acquire a dwelling that is to be used as the Participant’s principal residence, in which event the term of the loan may not be more than fifteen years. Each loan shall bear a fixed rate of interest that is commercially reasonable, as determined by the Plan Manager.

(d) Other Loan Requirements. The amount lent to any Participant shall be debited against all of the Participant’s Accounts from which the loan may be made (as determined under subsection (a)) such that the amount of the loan is prorated among such Accounts on the basis of the balance of each Account at the time the loan is made, and the interest paid to the Trustee by the Participant on the loan shall be allocated to such Accounts and to the Account of no other Participant. The amount of any loan, including accrued interest, un-repaid at the time a Participant or his Beneficiary becomes entitled to a distribution under Article IX shall be deducted from the amount otherwise distributable to the Participant or Beneficiary. No note or other document evidencing a loan shall be negotiable or otherwise assignable.

(e) Elections. In order to be valid, a Participant's request for a loan must be made in the time and manner prescribed by the Plan Manager.

(f) Expense of Loan. The Plan Manager may charge a reasonable loan processing fee as well as an annual loan administration fee for each year the loan is outstanding. Such fee shall be applied on a uniform and nondiscriminatory manner.

(g) Repayment. Loans shall be repaid in equal installments (not less frequently than quarterly) through payroll withholding or, in the case of a Participant's unpaid authorized leave of absence or lay-off, by personal check. A Participant may fully repay the loan at any time without penalty. Loans shall become immediately due and payable upon a Participant's Termination of Employment, retirement or death.

(h) Loan Security and Documentation. A loan shall be evidenced by a written document containing such terms and conditions as the Plan Manager shall determine, and shall be secured by the Participant's vested interest in his Accounts (other than his Tax Deductible Contributions Account).

ARTICLE XI

SPECIAL PROVISIONS FOR TOP-HEAVY PLANS

11.01 Determination of Top-Heavy Status. The Plan shall be considered top-heavy for the Plan Year, if, as of the Determination Date:

(a) the Plan is not part of an Aggregation Group and the Key Employee Ratio, determined by substituting the "Plan" for the "Aggregation Group" each place it appears in Section 2.36, exceeds 60%, or

(b) the Plan is part of an Aggregation Group and the Key Employee Ratio of such Aggregation Group exceeds 60%;

The Plan shall be deemed super top-heavy as to any Plan Year if, as of the Determination Date with respect to such Plan Year, the conditions of subsections (a) or (b) hereof are met with "90%" substituted for "60%" therein.

11.02 Minimum Contributions. For any Plan Year in which the Plan is determined to be top-heavy or super top-heavy within the meaning of Section 11.01, the Plan shall provide a minimum Employer contribution (consisting of Matching Contributions, nonelective Employer contributions, or both) for each Participant who is a Non-Key Employee and has not incurred a Severance from Employment by the end of the Plan Year in an amount equal to 5% of the Participant's Testing Compensation.

11.03 Minimum Vesting. For any Plan Year in which the Plan is defined to be top-heavy or super top-heavy within the meaning of Section 11.01, each Participant during such Plan Year shall become 100% vested in all of his Accounts and shall remain fully vested in such Accounts after the Plan ceases to be top-heavy.

ARTICLE XII

PLAN ADMINISTRATION

12.01 Fiduciary Responsibility.

(a) The Plan shall be administered by the Plan Manager, which shall be the Plan's "named fiduciary" and "administrator," as those terms are defined by ERISA, and its agent designated to receive service of process. All matters relating to the administration of the Plan, including the duties imposed upon the plan administrator by law, except those duties allocated to the Administrative Committee and those duties relating to the control or management of Plan assets, shall be the responsibility of the Plan Manager. The Plan Manager or the Administrative Committee (to the extent of the duties of each under the Plan), as the case may be, shall have the power to interpret and construe the provisions of the Plan, and to decide such questions as may rise in connection with the operation of the Plan, including interpretation of ambiguous Plan provisions, determination of disputed facts, and application of Plan provisions to unanticipated circumstances. The determination of the Plan Manager or the Administrative Committee (to the extent of the duties of each under the Plan), as the case may be, shall be subject to review only for abuse of discretion.

(b) The Administrative Committee shall be responsible for reviewing and deciding appeals under the Plan, in accordance with Section 12.11(b) of the Plan.

(c) The Plan Manager shall be responsible for the day-to-day administration of the Plan and shall have the authority to adopt such rules, guidelines, forms and procedures, not inconsistent with the terms of the Plan, as deemed necessary and/or appropriate to the operation and/or administration of the Plan. The Plan Manager shall also be responsible for the reporting and disclosure requirements applicable to the Plan under ERISA, the Code and/or any other Federal, state or local law.

(d) The Investment Committee shall be responsible for all matters relating to the control and management of Plan assets to the extent not assigned to the Trustee in the Trust Agreement or other instrument. The duties and responsibilities of the Investment Committee shall include, but not be limited to, the selection of the Investment Funds, the selection of the Investment Manager, and the monitoring of the performance of the Investment Manager and Trustee. The Investment Committee shall be a "named fiduciary" as that term is defined by ERISA.

12.02 Appointment and Removal of Plan Manager and Committees. The Plan Manager, the Administrative Committee and the Investment Committee shall be appointed and may be removed by the Board. The Plan Manager and persons appointed to the Administrative Committee or the Investment Committee may be, but need not be, employees of the Employer. The Plan Manager and any Administrative Committee or Investment Committee member may resign by giving written notice to the Board, which notice shall be effective 30 days after delivery. The Plan Manager and any Administrative Committee or Investment Committee member may be removed by the Board by written notice to such Committee person, which notice shall be effective upon delivery. The Board shall promptly select a successor following the resignation or removal of the Plan Manager or of any Administrative Committee or Investment Committee member, if necessary to maintain both an Administrative Committee and the Investment Committee of at least one member.

12.03 Compensation and Expenses of Plan Manager and Committees. The Plan Manager and members of the Administrative Committee and members of the Investment Committee who are Employees shall serve without compensation. The Plan Manager and members of the Administrative Committee or Investment Committee who are not Employees may be paid reasonable compensation for services rendered to the Plan. Such compensation, if any, and all ordinary and necessary expenses of the Plan Manager, and the Administrative Committee and Investment Committee shall be paid from the Fund unless paid by the Employer.

12.04 Plan Manager and Committee Procedures. The Plan Manager, and the Administrative Committee and Investment Committee may enact such rules and regulations for the conduct of their business and for the administration of the Plan, as each may deem desirable. The Administrative Committee and Investment Committee may act either at meetings at which a majority of its members are present or by a writing signed by a majority of its members without the holding of a meeting. Records shall be kept of the meetings and actions of the Administrative Committee and the Investment Committee, and of the actions of the Plan Manager. Neither the Plan Manager, nor any Administrative Committee or Investment Committee member who is a Participant in the Plan shall vote upon, or take an active role in resolving, any question affecting only his Accounts.

12.05 Indemnification of the Plan Manager and Committees. The Plan Manager and each member of the Administrative Committee and the Investment Committee shall be indemnified by the Company against costs, expenses and liabilities (other than amounts paid in settlement to which the Company does not consent) reasonably incurred by him in connection with any action to which he may be a party by reason of his service as Plan Manager or a member of the Administrative Committee or Investment Committee except in relation to matters as to which he shall be adjudged in such action to be personally guilty of willful misconduct in the performance of his duties. The foregoing right to indemnification shall be in addition to such other rights as the Plan Manager or the member of the Administrative Committee or Investment Committee may enjoy as a matter of law or by reason of insurance coverage of any kind, but shall not extend to costs, expenses and/or liabilities otherwise covered by insurance or that would be so covered by any insurance then in force if such insurance contained a waiver of subrogation. Rights granted hereunder shall be in addition to and not in lieu of any rights to indemnification to which the Plan Manager or the member of the Administrative Committee or Investment Committee may be entitled pursuant to the bylaws of the Company. Service as Plan Manager or as a member of the Administrative Committee or Investment Committee shall be deemed in partial fulfillment of the member’s function as an employee, officer or director of the Employer, if he serves in that capacity as well as in the role of Plan Manager or a member of the Administrative Committee or Investment Committee.

12.06 Exclusive Benefit Rule. The Plan Manager and the Administrative Committee and Investment Committee shall administer the Plan for the exclusive purpose of (a) providing benefits to Participants and their Beneficiaries and (b) defraying reasonable expenses of administering the Plan.

12.07 Consultants. The Plan Manager and the Administrative Committee and Investment Committee may, and to the extent required for the preparation of reports shall, employ accountants, actuaries, attorneys and other consultants or advisors. The fees charged by such accountants, actuaries, attorneys and other consultants or advisors shall represent reasonable compensation for services rendered and shall be paid from the Fund unless paid by the Employer.

12.08 Payment of Plan Expenses. The expenses incurred by the Employer in connection with the operation of the Plan, including, but not limited to, expenses incurred by reason of the engagement of professional assistants and consultants, shall be expenses of the Plan and shall be payable by the Plan at the direction of the Plan Manager. The Employer shall have the option, but not the obligation, to pay any such expenses, in whole or in part, and, by so doing, to relieve the Plan from the obligation of bearing such expenses. Payment of any such expenses by the Employer on one occasion shall not bind the Employer to pay any similar expenses on any subsequent occasion. For the purpose of administrative convenience, the Employer may pay certain expenses otherwise payable by the Plan, for which it shall seek reimbursement by the Trustee from the assets held in the Fund.

12.09 Method of Handling Plan Funds. All payments to the Fund shall be made by the employee of the Employer charged with that responsibility by the Board. All payments from the Fund shall be made by the Trustee.

12.10 Delegation and Allocation of Responsibility. To the extent permitted under the terms of the Trust Agreement or applicable law, the Trustee and any named fiduciary of the Plan may, by unanimous action in writing, delegate or assign any of its responsibilities for administering the Plan to one or more individuals or entities. In the event of any such delegation or allocation, the Trustee or any named fiduciary, as applicable, shall establish procedures for the thorough and frequent review of the performance of such duties. Persons to whom responsibilities have been delegated may not delegate to others any discretionary authority or discretionary control with respect to the management or administration of the Plan.

12.11 Claims Procedures.

(a) Initial Claim. In the event of a claim by a Participant or his or her Beneficiary with respect to the Plan, such claimant (himself or through his authorized representative) shall present his or her claim in writing to the Administrative Committee or its designee. The Administrative Committee or its designee shall, within 90 days after receipt of such written claim, make a determination and send a written or electronic notification to the claimant as to its disposition. If the Administrative Committee or its designee determines that special circumstances require an extension of time for processing the claim, the Administrative Committee or its designee shall be allowed an extension of time not to exceed 90 days from the end of the initial period and shall so notify the claimant in writing prior to the termination of the initial 90-day period, and shall indicate the special circumstances requiring an extension of time and the date by which to expect the benefit determination. In the event the claim is wholly or partially denied, such notification shall:

(1) state the specific reason or reasons for the denial;

(2) make reference to the specific provisions of the Plan upon which the denial is based;

(3) provide a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;

(4) set forth the procedure by which the claimant may appeal the denial of his or her claim and the applicable time limitations; and

(5) a statement of the claimant's rights to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on appeal.

(b) Review of Denial. In the event a claimant wishes to appeal the denial of his claim, the claimant (or his or her authorized representative) may request a review of such denial by making application in writing to the Administrative Committee within 60 days after receipt of such denial. Such review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Such claimant (or his or her duly authorized representative) may, upon written request to the Administrative Committee and free of charge, have reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits. In addition, the claimant or his authorized representative may submit to the Administrative Committee written comments, documents, records and other information related to the claim for benefits. Appeals not timely filed shall be barred. Within 60 days after receipt of a written appeal, the Administrative Committee shall make a determination and notify the claimant of its final decision. If the Administrative Committee determines that special circumstances require an extension of time for processing the claim, the Administrative Committee shall be allowed an extension of time of up to an additional 60 days and shall so notify the claimant in writing (prior to the end of the initial period) the reason or reasons for such extension and the date by which a decision is expected. The final decision on review shall contain:

(1) specific reasons therefor;

(2) reference to the specific Plan provisions upon which it is based;

(3) a description of the claimant's right to receive, upon written request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits;

(4) a description of any voluntary appeals procedures offered by the Plan; and

(5) a statement of the claimant's rights to bring a civil action under section 502(a) of ERISA.

If the Administrative Committee has not exceeded the time limitations set forth in this Section 12.11, the decision shall be final and conclusive on all persons claiming benefits under the Plan, subject to applicable law. If the claimant challenges the decision of the Administrative Committee, a review by a court of law shall be limited to the facts, evidence, and issues presented during the claims and appeals procedure set forth above. The claims and appeals process described herein must be exhausted before the claimant can pursue the claim in federal court. Facts and evidence that become known to the claimant after having exhausted the review procedure may be submitted for reconsideration of the review decision in accordance with the time limits established above. Issues not raised during the review process shall be deemed waived.

(c) Exhaustion of Claims Procedures and Time Period for Bringing a Lawsuit. A claim or action (1) to recover benefits allegedly due under the provisions of the Plan or by reason of any law (including, without limitation, a civil action under Section 502(a) of ERISA), (2) to enforce rights under the Plan, (3) to clarify rights to future benefits under the Plan, or (4) any other claim or action that relates to the Plan and seeks a remedy, ruling, or judgment of any kind against the Plan or a Plan fiduciary or party in interest may not be filed in any court until the claimant has exhausted the Plan's claim and appeal process for any and all reasons the claimant believes his claim should be approved. In addition, any such claim or action must be filed no later than one year after, as appropriate, the earliest to occur of the following: the date the first benefit payment was made or due, the date the Administrative Committee or its delegate first denied the claimant's request on appeal, or the earliest date the claimant knew or should have known the material facts on which such claim or action is based. Any claim or action filed after the end of this one-year period shall be time-barred.

ARTICLE XIII

AMENDMENT AND TERMINATION

13.01 Amendment. The Plan may be amended at any time and from time to time by or pursuant to a formal written action of the Board, the Compensation Committee of the Board, the Company's Chief Financial Officer and the most senior Human Resources officer of the Company acting as a committee, or the Plan Manager, subject to the following restrictions:

(a) the Plan Manager may make amendments only to the extent that they are necessary or appropriate to maintain the Plan's compliance with the applicable statutes or regulations;

(b) the Company's Chief Financial Officer and most senior Human Resources officer of the Company acting as a committee may make amendments only to the extent that the effect of the amendments results in an annual cost of less than $1,000,000;

(c) the Company's Chief Executive Officer may make amendments only to the extent that the effect of the amendments results in an annual cost less than $25,000,000; and

(d) the Compensation Committee of the Board may make amendments only to the extent that the affect of the amendments results in an annual cost less than $50,000,000.

Notwithstanding the foregoing, however, to the extent that the Company's Corporate Delegation of Authority Chart or other action of the Board modifies the amendatory authority described in the preceding sentence, the Plan shall be deemed to have been amended in accordance with the Delegation of Authority Chart or such Board action. In no event shall an amendment be effective to the extent that it has the effect of decreasing the balance of a Participant's Account or eliminating an optional form of benefit payment for benefits attributable to service before the later of the date the amendment is adopted or the date it becomes effective, except to the extent permissible under section 411(d)(6) of the Code and the regulations thereunder. If the vesting schedule of the Plan is amended, the nonforfeitable interest of a Participant in his Accounts, determined as of the later of the date the amendment is adopted or the date it becomes effective, shall not be less than the Participant's nonforfeitable interest in his Accounts determined without regard to such amendment. If the Plan's vesting schedule is amended, each Participant with three or more Years of Service may elect to have the nonforfeitable percentage of his Accounts computed under the Plan without regard to such amendment. The Participant's election shall be made within 60 days after the latest of (1) the date the amendment is adopted, (2) the date the amendment becomes effective, or (3) the date the Participant is given written notice of the amendment by the Board or the Trustee.

13.02 <u>Termination or Partial Termination</u>.

(a) <u>Right to Terminate Reserved</u>. While the Company intends to continue the Plan indefinitely, it reserves the right to terminate the Plan at any time by formal written action of the Board. Further, any Employer may, at any time for any reason, withdraw from participation in the Plan, in whole or in part, by action of its governing board.

(b) <u>Treatment of Participants Upon Termination</u>. If the Plan is terminated or partially terminated, Accrued Benefits of the Participants affected thereby shall immediately vest and be nonforfeitable, to the extent funded. No employees of such

Employer who are not then Participants may thereafter be admitted to the Plan, and the Employer shall make no further contributions to the Fund.

(c) Liability of Employer. The Employer shall have no liability in respect of payment under the Plan, except to pay over to the Trustee the contributions otherwise required under the Plan, and each Participant, his Beneficiary or alternate payee shall look solely to the Trust for distribution of benefits under the Plan.

(d) Successor Employers. Unless this Plan is terminated earlier, a successor employer of the Employees of the Employer may continue this Plan and Trust by joining with the Trustee in executing an appropriate supplemental agreement. Such successor employer shall ipso facto succeed to all the rights, powers, and duties of the Employer hereunder. In such event, the Plan shall not be deemed to have terminated and the employment of any Employee who is continued in the employ of such successor Employer shall be deemed not to have been terminated or severed for any purposes hereunder.

ARTICLE XIV

MISCELLANEOUS

14.01 Merger, Consolidation or Transfer of Assets or Liabilities. The Company reserves the right to merge or consolidate the Plan with any other defined contribution plan qualified under section 401(a) of the Code, or to transfer Plan assets or liabilities to any other qualified defined contribution plan, provided that the amount standing to the credit of each Participant’s, Beneficiary’s and alternate payee’s Accounts immediately after any such merger, consolidation or transfer of assets or liabilities shall be at least equal to the amount standing to the credit of the Participant’s, Beneficiary’s and alternate payee’s Accounts immediately before such merger, consolidation or transfer, determined as if the Plan had then terminated.

14.02 Limited Purpose of Plan. The establishment or existence of the Plan shall not confer upon any Employee the right to be continued as an Employee. The Employer expressly reserves the right to discharge any Employee whenever in its judgment its best interests so require.

14.03 Nonalienation. No benefit payable under the Plan shall be subject in any manner to anticipation, assignment, or voluntary or involuntary alienation. This Section 14.03 shall not preclude the Trustee from complying with the terms of (a) a Qualified Domestic Relations Order, (b) a federal tax levy made pursuant to section 6331 of the Code, (c) subject to section 401(a)(13) of the Code, a judgment relating to the Participant’s conviction of a crime involving the Plan, or (d) subject to section 401(a)(13) of the Code, a judgment, order, decree, or settlement agreement between the Participant and the United States Department of Labor relating to a violation (or an alleged violation) of part 4 subtitle B of Title I of ERISA.

14.04 General Distribution Requirements. All distributions under the Plan shall be determined and made in accordance with the minimum distribution incidental death benefit requirements of the regulations under section 401(a)(9) of the Code. Effective prior to January 1, 2003, all distributions shall be determined and made in accordance with the minimum distribution requirements of the regulations under section 401(a)(9) of the Code that were proposed in 1987, including the minimum distribution incidental benefit requirement of section 1.401(a)(9)-2 of the proposed regulations. Effective January 1, 2003, all distributions shall be determined and made in accordance with the final regulations promulgated under section 401(a)(9) of the Code, including the minimum distribution incidental benefit requirement of Q&A-1(d) of section 1.401(a)(9)-5 of the final regulations; provided, however, that the amount of any payments made to a Participant with a Benefit Commencement Date prior to January 1, 2003 shall not be decreased by the application of the final regulations.

14.05 Facility of Payment. If the Plan Manager, in his sole discretion, deems a Participant, Beneficiary or alternate payee who is entitled to receive any payment hereunder to be incompetent to receive the same by reason of age, illness, infirmity or incapacity of any kind, the Plan Manager may direct the Trustee to apply such payment directly for the benefit of such person, or to make payment to any person selected by the Plan Manager to disburse the same for the benefit of the Participant, Beneficiary or alternate payee. Payments made pursuant to this Section 14.05 shall operate as a discharge, to the extent thereof, of all liabilities of the Employer, the Trustee, the Administrative Committee, the Plan Manager and the Fund to the person for whose benefit the payments are made.

14.06 Impossibility of Diversion. All Plan assets shall be held as part of the Fund until paid to satisfy allowable Plan expenses or to provide benefits to Participants, their Beneficiaries or alternate payees. It shall be impossible, unless Section 4.10, 14.07 or 14.10 applies, for any part of the fund to be used for, or diverted to, purposes other than the exclusive benefit of the Participants, their Beneficiaries or alternate payees or the payment of the reasonable expenses of the administration of the Plan or of the Fund or both, and the Fund shall continue for such time as may be necessary to accomplish the purposes for which it was established.

14.07 Unclaimed Benefits. If a Participant or Beneficiary to whom a benefit is payable under the Plan cannot be located following a reasonable effort to do so by the Trustee, such benefit shall be forfeited but shall be reinstated if a claim therefor is filed by the Participant, Beneficiary or alternate payee.

14.08 Benefit Offsets for Overpayments. If a Participant, Beneficiary or alternate payee receives benefits hereunder for any period in excess of the amount of benefits to which he was entitled under the applicable terms of the Plan, such overpayment shall be offset against current or future benefit payments, as applicable, until such time as the overpayment is entirely recouped by the Plan, as determined by the Plan Manager in his sole discretion.

14.09 Contingent Effectiveness of Plan Amendment and Restatement. The effectiveness of this amendment and restatement of the Plan shall be subject to and contingent upon a determination by the District Director of the Internal Revenue Service that the Plan and Trust continue to be qualified under the applicable provisions of the Code, so that the contributions by the Employer are deductible when made and the Trust continues to be exempt from federal income tax. If the District Director determines that the amendment and restatement adversely affect the existing qualified status of the Plan and Trust, then, upon notice to the Trustee, the Board shall have the right further to amend the Plan or to rescind the amendment and restatement.

14.10 Controlling Law. The Plan shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to any choice of law provisions, to the extent not preempted by federal law, which shall otherwise control.

IN WITNESS WHEREOF, and as evidence of the adoption of the Plan as amended and restated herein, Unisys Corporation has caused this instrument to be executed by its duly authorized representatives.

UNISYS CORPORATION:

By: /s/ Patricia A. Bradford
Patricia A. Bradford

Dated: December 29, 2010

By: /s/ Janet Brutschea Haugen
Janet Brutschea Haugen

Dated: December 29, 2010

APPENDIX A

PARTICIPATING AFFILIATES

(EFFECTIVE JANUARY 1, 2007)

Unisys Corporation

Unisys Unigen Corporation

Unisys European Services Ltd.

Unisys Latin America and Caribbean Headquarters

Unisys Holding Corporation

Convergent, Inc.

Unisys NPL, Inc.

Unisys Funding Corporation I

Unisys AP Investment Company I

Unisys Africa Holding, Inc.

Unisys CEE, Inc.

APPENDIX B

This Addendum amends and supplements the Plan to reflect relief granted by the Internal Revenue Service as well as relief granted under the Katrina Emergency Tax Relief Act of 2005 and the Gulf Opportunity Zone Act of 2005 for certain individuals affected by Hurricanes Katrina, Rita and Wilma.

I. Definitions. For purposes of this Addendum, the following definitions apply:

1.1 “Eligible Retirement Plan” means a qualified retirement plan, such as the Plan, a 403(a) annuity, a 403(b) annuity, a 457 governmental plan or an individual retirement account or annuity that accepts rollovers.

1.2 “Qualified Hurricane Katrina Participant” means an individual whose principal place of residence on August 28, 2005 was located in the Hurricane Katrina disaster area and who has sustained an economic loss by reason of Hurricane Katrina.

1.3 “Qualified Hurricane Rita Participant” means an individual whose principal place of residence on September 23, 2005 was located in the Hurricane Rita disaster area and who has sustained an economic loss by reason of Hurricane Rita.

1.4 “Qualified Hurricane Wilma Participant” means an individual whose principal place of residence on October 23, 2005 was located in the Hurricane Wilma disaster area and who has sustained an economic loss by reason of Hurricane Wilma.

1.5 “Qualified Hurricane Katrina Distribution” means a distribution from an Eligible Retirement Plan made on or after August 25, 2005, and before January 1, 2007, to a Qualified Hurricane Katrina Participant.

1.6 “Qualified Hurricane Rita Distribution” means a distribution from an Eligible Retirement Plan made on or after September 23, 2005, and before January 1, 2007, to a Qualified Hurricane Rita Participant.

1.7 “Qualified Hurricane Wilma Distribution” means a distribution from an Eligible Retirement Plan made on or after October 23, 2005, and before January 1, 2007, to a Qualified Hurricane Wilma Participant.

II. Distributions.

2.1 Any Qualified Hurricane Katrina Distribution, Qualified Hurricane Rita Distribution or Qualified Hurricane Wilma Distribution, as applicable, made to a Participant pursuant to this Addendum shall not exceed the lesser of (1) $100,000 or (2) the vested portion of such Participant’s Account balance, whether or not such Participant has otherwise satisfied the requirements to receive a distribution under the Plan. However, any such distribution from this or any other Eligible Retirement Plan of the Company shall not, in the aggregate, exceed $100,000.

2.2 Any portion of a Qualified Hurricane Katrina Distribution, Qualified Hurricane Rita Distribution or Qualified Hurricane Wilma Distribution, as applicable, made to a Participant pursuant to this Addendum may be repaid by such Participant at any time during the three-year period beginning on the day after the date on which such Participant received the distribution. The repayment may be made to any Eligible Retirement Plan, regardless of the plan from which the distribution was received.

III. Loans.

3.1 A Qualified Hurricane Katrina Participant, a Qualified Hurricane Rita Participant or a Qualified Hurricane Wilma Participant may obtain a loan from the Plan (after taking into account the outstanding balance of other loans) in an amount equal to the lesser of $100,000 or 100 percent of the vested portion of the Participant's Account (less the highest value of all other outstanding loans in the prior 12 months).

3.2 Any loan repayment otherwise due on or after (1) August 25, 2005 through December 31, 2006 in the case of a Qualified Hurricane Katrina Participant, (2) September 23, 2005 through December 31, 2006 in the case of a Qualified Hurricane Rita Participant or (3) October 23, 2005 through December 31, 2006 in the case of a Qualified Hurricane Wilma Participant shall be delayed for one year. After the one-year delay, such Participant's loan repayments shall be adjusted to reflect the delayed repayments and unpaid interest. The loan repayment term shall be extended by one year regardless of whether such extension would cause the loan original loan term to extend beyond five years in the case of loan not used to purchase a Participant's principal residence.

IV. Hardship Withdrawals.

4.1 A Qualified Hurricane Katrina Participant who obtained a hardship withdrawal from the Plan after February 28, 2005 and before August 29, 2005 for purchase or construction of a principal residence that was not finalized because it was in an area affected by Hurricane Katrina shall be permitted to repay all or a portion of such distribution to an Eligible Retirement Plan on or before February 28, 2006.

4.2 A Qualified Hurricane Rita Participant who obtained a hardship withdrawal from the Plan after February 28, 2005 and before September 24, 2005 for purchase or construction of a principal residence that was not finalized because it was in an area affected by Hurricane Rita shall be permitted to repay all or a portion of such distribution to an Eligible Retirement Plan on or before February 28, 2006.

4.3 A Qualified Hurricane Wilma Participant who obtained a hardship withdrawal from the Plan after February 28, 2005 and before October 24, 2005 for purchase or construction of a principal residence that was not finalized because it was in an area affected by Hurricane Wilma shall be permitted to repay all or a portion of such distribution to an Eligible Retirement Plan on or before February 28, 2006.

4.4 In the case of a Qualified Hurricane Katrina Participant or a Participant who is not a Qualified Hurricane Katrina Participant but who either (1) maintained principal residence in an area affected by Hurricane Katrina, (2) had his principal place of employment in an area affected by Hurricane Katrina, or (3) had lineal descendants or ascendants, a spouse or other dependents whose principal residence or place of employment was in an area affected by Hurricane Katrina, any distribution on account of Hurricane Katrina shall be deemed to be a hardship withdrawal, provided such distribution is made on or after August 29, 2005, and no later than March 31, 2006. Furthermore, the Plan's six-month suspension requirement on contributions following a hardship withdrawal shall not apply.

Exhibit 10.27

AMENDMENT
TO THE
UNISYS CORPORATION SAVINGS PLAN

In accordance with the terms of Section 13.01 of the Unisys Corporation Savings Plan (the “Plan”), the Plan is hereby amended, effective as of the date hereof, as follows:

1. Section 2.01 of the Plan is hereby amended to add the phrase “Plan Expense Contribution Account,” immediately after the phrase “Qualified Nonelective Non-ESOP Contribution Account,”.

2. A new Section 2.44A shall be added to the Plan to read as follows:

“2.44A “Plan Expense Contribution” means a contribution made by an Employer in accordance with Section 4.11.”

3. A new Section 2.44B shall be added to the Plan to read as follows:

“2.44B “Plan Expense Contribution Account” means a Participant’s account to which are credited Plan Expense Contributions and earnings and losses thereon and against which shall be charged Plan expenses as determined by the Plan Manager.”

4. A new Section 4.11 shall be added to the Plan at the end of Article IV to read as follows:

“4.11 Plan Expense Contributions. The Employer, in its sole discretion, may contribute to the Plan, at any time and from time to time, such cash amounts as it shall determine in its sole discretion, which contributions shall be used to pay expenses of the Plan as determined by the Plan Manager. Such contributions shall be allocated as of the end of the Plan Year with respect to which such contribution is made, on a per capita basis, among all Participants who are employed on the last day of such Plan Year. Anything contained in this Article IV, Article VI, Article VII, Article X, or elsewhere in the Plan to the contrary notwithstanding, (i) Plan Expense Contributions may be made by the Employer for a Plan Year at any time, but not later than the date on which amounts so contributed may be deducted for federal income tax purposes by the contributing Employer for the taxable year on or within which such Plan Year ends; (ii) a Participant may not direct the investment of amounts credited to his Plan Expense Contribution Account, instead, such amounts shall be invested in the Investment Fund chosen by the Investment Committee for unallocated funds under the Plan pending the use of such amounts to pay Plan expenses; (iii) a Participant shall be fully vested in amounts credited to the Participant’s Plan Expense Contribution Account; and (iv) no withdrawals or loans may be made by a Participant with respect to amounts credited to the Participant’s Plan Expense Contribution Account.”

[*SIGNATURE PAGE FOLLOWS*]

IN WITNESS WHEREOF, and as evidence of the adoption of this Amendment to the Plan set forth herein, the Company has caused this instrument to be executed on the day set forth below.

Unisys Corporation

By: /s/ Patricia A. Bradford Patricia A. Bradford, Senior Vice President Worldwide Human Resources	Dated: January 26, 2011
By: /s/ Janet B. Haugen Janet B. Haugen, Senior Vice President and Chief Financial Officer	Dated: January 26, 2011

Exhibit 12

UNISYS CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES (UNAUDITED)
($ in millions)

	Years Ended December 31				
	2010	**2009**	**2008**	**2007**	**2006**
Fixed charges					
Interest expense	$101.8	$ 95.2	$ 85.1	$ 76.3	$ 77.2
Interest capitalized during the period	9.1	7.5	9.0	9.1	9.9
Amortization of debt issuance expenses	2.6	3.3	4.1	3.8	3.8
Portion of rental expense representative of interest	33.5	34.9	46.9	52.4	53.7
Total Fixed Charges	147.0	140.9	145.1	141.6	144.6
Earnings					
Income (loss) from continuing operations before income taxes	222.9	218.2	(97.6)	14.8	(228.9)
Add (deduct) the following:					
Share of loss (income) of associated companies	—	—	—	—	4.5
Amortization of capitalized interest	9.1	11.6	16.1	14.5	13.7
Subtotal	232.0	229.8	(81.5)	29.3	(210.7)
Fixed charges per above	147.0	140.9	145.1	141.6	144.6
Less interest capitalized during the period	(9.1)	(7.5)	(9.0)	(9.1)	(9.9)
Total earnings (loss)	$369.9	$363.2	$ 54.6	$161.8	$ (76.0)
Ratio of earnings to fixed charges	2.52	2.58	*	1.14	*

* Earnings for the years ended December 31, 2008 and 2006 were inadequate to cover fixed charges by $90.5 million and $220.6 million, respectively.

Exhibit 13

Unisys Corporation 2010 Annual Report

Unisys Corporation

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

Overview

In 2010 Unisys reported improved operating income on lower revenue, as the company benefited from an ongoing program to enhance its financial results and strengthen its balance sheet. The program, announced at the beginning of 2009, is based upon the following business priorities:

- Concentrate the company’s investments and resources on business opportunities in fewer, more profitable markets in the information technology (IT) marketplace;
- Create clearly differentiated value propositions in its focused markets and solution offerings;
- Enhance the cost-efficiency of its services labor delivery model to drive gross margin expansion; and
- Reduce overhead expense by simplifying its business, streamlining reporting lines and processes, and creating clear lines of accountability for results.

During the year, the company continued to take actions related to these priorities, including divesting a number of non-core businesses, streamlining its geographic presence, strengthening its portfolio of solutions, increasing its use of lower-cost labor pools, and further reducing expenses and debt.

Reflecting the benefits of these and other actions, the company reported improved full-year 2010 operating income of $375.7 million, up 14 percent compared with operating income of $330.0 million in 2009. Operating profit margin improved to 9.3% in 2010 compared with 7.5% in 2009. After a tax provision of $58.8 million, the company reported net income attributable to Unisys Corporation of $236.1 million, or $5.45 per diluted share, for 2010. This compared with 2009 net income attributable to Unisys Corporation of $189.3 million, or $4.75 per diluted share, which included a tax provision of $42.3 million. The results for 2010 include income of $77.2 million from discontinued operations, net of tax, related to the sale of the company’s health information management (HIM) business and the UK-based Unisys Insurance Services Limited (UISL) business.

The company’s revenue declined 8 percent to $4.02 billion in 2010 compared with revenue of $4.39 billion in 2009. The decline reflected lower demand for the company’s project-based services, de-emphasis of lower-margin business and divestiture of the company’s U.S. specialized technology check sorter equipment and related U.S. maintenance business. Foreign currency exchange rates had an approximately 1-percentage-point positive impact on revenue in 2010.

The company’s contract with the U.S. Transportation Security Administration expired at the end of November 2010. In 2010, the company recognized revenue of approximately $117 million related to this contract compared to $150 million in 2009 and $189 million in 2008.

Cash provided by operating activities was $336.8 million in 2010, which included a $100.0 million reduction in utilization under the company’s U.S. accounts receivable securitization facility. Cash provided by operating activities in 2009 was $396.8 million, which included a $41.0 million reduction in utilization under the facility. The company’s 2010 year-end cash balance increased $181 million to $828 million and exceeded the 2010 year-end debt balance of $824 million.

Effective January 1, 2011, the company reinstated a company match to its U.S. 401(k) Savings Plan which had been suspended effective January 1, 2009. The company expects to fund the match with the company’s common stock and estimates the cost of such match will be approximately $14 million in 2011.

Results of operations

Company results

Revenue for 2010 was $4.02 billion compared with 2009 revenue of $4.39 billion, a decrease of 8%. Approximately 2 percentage points of the revenue decline was due to the divestiture of the company's U.S. specialized technology check sorter equipment and related U.S. maintenance business. Foreign currency had a 1-percentage-point positive impact on revenue in 2010 compared with 2009.

Services revenue in 2010 decreased by 10% (2 percentage points of the decline were due to divested businesses). Technology revenue in 2010 was flat compared with 2009. Adjusting for divested businesses, Technology revenue in 2010 would have increased by an additional 4 percentage points.

Revenue for 2009 was $4.39 billion compared with 2008 revenue of $4.95 billion, a decrease of 11%. Services revenue in 2009 decreased by 12% and Technology revenue declined by 11%. Foreign currency had a 4-percentage-point negative impact on revenue in 2009 compared with 2008. Revenue from international operations in 2010, 2009 and 2008 was $2.29 billion, $2.38 billion and $2.81 billion, respectively. Foreign currency had a 2-percentage-point positive impact on international revenue in 2010 compared with 2009. Revenue from U.S. operations was $1.73 billion in 2010, $2.01 billion in 2009 and $2.14 billion in 2008.

Gross profit percent was 26.7% in 2010, 25.4% in 2009 and 21.9% in 2008. The increase in gross profit percent in 2010 compared with 2009 principally reflects a stronger mix of high-end enterprise server sales as well as the benefits derived from improved cost efficiencies in services delivery. Gross profit percent in 2009 compared with 2008 reflects the improved cost efficiencies in services delivery and the benefits from expense reductions.

Selling, general and administrative expenses were $617.1 million in 2010 (15.4% of revenue), $681.1 million in 2009 (15.5% of revenue) and $955.3 million in 2008 (19.3% of revenue). The decline in selling, general and administrative expenses in 2010 and in 2009 reflect the benefits from cost reduction actions. Included in 2008 were cost reduction charges of $49.0 million.

Research and development (R&D) expenses in 2010 were $78.9 million compared with $101.9 million in 2009 and $129.0 million in 2008. The decrease in R&D expenses principally reflects changes in the company's development model as the company has focused its investments on operating system software development while leveraging commodity components and offshore resources.

In 2010, the company reported an operating profit of $375.7 million compared with $330.0 million in 2009 and $2.1 million in 2008.

Pension income for 2010 was $2.9 million compared with pension income of $23.6 million in 2009 and pension income of $51.3 million in 2008. For 2011, the company expects to recognize pension expense of approximately $36 million. The company records pension income or expense, as well as other employee-related costs such as payroll taxes and medical insurance costs, in operating income in the following income statement categories: cost of revenue; selling, general and administrative expenses; and research and development expenses. The amount allocated to each category is based on where the salaries of active employees are charged. Effective January 1, 2011, the company reinstated a company match to its U.S. 401(k) Savings Plan, which had been suspended effective January 1, 2009. The company will match 50 percent of the first 6 percent of eligible pay contributed by participants to the plan on a before-tax basis (subject to IRS limits). The company expects to fund the match with the company's common stock and estimates the cost of such match will be approximately $14 million in 2011. The charge to income related to the company match for the years ended December 31, 2010, 2009 and 2008 was zero, zero, and $47.5 million, respectively.

During 2009, the company recorded a benefit of $11.2 million (a $5.4 million benefit in other income, a $6.1 million benefit in cost of revenue and an expense of $.3 million in selling, general and administrative expense related to legal fees) related to a 2009 change in Brazilian law involving a gross receipts tax.

Interest expense was $101.8 million in 2010, $95.2 million in 2009 and $85.1 million in 2008. The increases in interest expense were primarily due to higher interest rates associated with the debt issued in connection with the debt exchange discussed below.

Other income (expense), net was expense of $51.0 million in 2010, compared with expense of $16.6 million in 2009 and expense of $14.6 million in 2008. Included in 2010 were foreign exchange losses of $43.4 million (including $19.9 million related to the Venezuelan devaluation, discussed below). Included in 2009 was income of $5.4 million related to the Brazilian law change discussed above and foreign exchange losses of $12.5 million.

Income (loss) from continuing operations before income taxes in 2010 was income of $222.9 million compared with income of $218.2 million in 2009 and a loss of $97.6 million in 2008.

The provision for income taxes in 2010, 2009 and 2008 was $58.8 million, $42.3 million and $40.9 million, respectively. The 2010, 2009 and 2008 income tax provisions include benefits due to changes in judgment about the company's ability to realize deferred tax assets in future years resulting in a net decrease in valuation allowances of $13.2 million, $28.7 million and $9.7 million, respectively. The 2009 income tax provision includes an $11.1 million benefit related to provisions in the Housing and Economic Recovery Act of 2008 (the Act) permitting certain research and alternative minimum tax (AMT) credit carryforwards to be refundable and a tax benefit of $7.7 million related to prior year tax adjustments. The 2008 income tax provision includes a $7.8 million benefit related to the Act and a tax benefit of $8.7 million related to prior year tax adjustments.

The company evaluates quarterly the realizability of its deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary. The company will record a tax provision or benefit for those international subsidiaries that do not have a full valuation allowance against their deferred tax assets. Any profit or loss recorded for the company's U.S. continuing operations will have no provision or benefit associated with it due to its full valuation allowance, except with respect to benefits related to income from discontinued operations. As a result, the company's provision or benefit for taxes will vary significantly period to period depending on the geographic distribution of income. Due to its full valuation allowance in the U.S., the health care legislation enacted during 2010 had no impact on the company's U.S. deferred tax assets.

The realization of the company's net deferred tax assets of approximately $185 million as of December 31, 2010 is primarily dependent on forecasted future taxable income within certain foreign jurisdictions. Any reduction in estimated forecasted future taxable income may require the company to record an additional valuation allowance against the remaining deferred tax assets. Any increase or decrease in the valuation allowance would result in additional or lower income tax expense in such period and could have a significant impact on that period's earnings.

Net income (loss) from continuing operations attributable to Unisys Corporation for 2010 was income of $158.9 million, or $3.67 per diluted share, compared with income of $172.2 million, or $4.32 per diluted share, in 2009 and a loss of $150.9 million, or a loss of $4.20 per diluted share, in 2008.

Income from discontinued operations for 2010 was $77.2 million, or $1.78 per diluted share, compared with income of $17.1 million, or $.43 per diluted share, in 2009 and income of $20.8 million, or $.58 per diluted share in 2008. See Note 3 of the Notes to Consolidated Financial Statements.

Due to cumulative inflation of approximately 100 percent or more over the last 3-year period, the company's Venezuelan subsidiary has applied highly inflationary accounting beginning January 1, 2010. For those international subsidiaries operating in highly inflationary economies, the U.S. dollar is the functional currency, and as such, nonmonetary assets and liabilities are translated at historical exchange rates, and monetary assets and liabilities are translated at current exchange rates. Exchange gains and losses arising from translation are included in other income (expense), net. Effective January 11, 2010, the Venezuelan government devalued the Bolivar Fuerte by 50 percent by resetting the official exchange rate from 2.15 to the U.S. dollar to 4.30 to the U.S. dollar. As a result, the company recorded a foreign exchange loss in the first quarter of 2010 of approximately $20 million. The company has used and continues to use the official exchange rate for translation purposes. At December 31, 2010, the company's operations in Venezuela had net monetary assets denominated in local currency of approximately $20 million.

Segment results

The company has two business segments: Services and Technology. Revenue classifications by segment are as follows: Services – systems integration and consulting, outsourcing, infrastructure services and core maintenance; Technology – enterprise-class servers and other technology. 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 profit 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 hardware and software sold to the Services segment for internal use in Services agreements. The amount of such profit included in operating income of the Technology segment for the years ended December 31, 2010, 2009 and 2008 was $7.2 million, $14.8 million and $38.5 million, respectively. The profit on these transactions is eliminated in Corporate.

The company evaluates business segment performance on operating income exclusive of cost-reduction 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. Therefore, the segment comparisons below exclude the cost-reduction charges mentioned above. See Note 15 of the Notes to Consolidated Financial Statements.

Customer revenue by classes of similar products or services, by segment, for 2010, 2009 and 2008 is presented below:

Year ended December 31 (millions)	**2010**	2009	Percent Change	2008	Percent Change
Services					
Systems integration and consulting	**$1,223.1**	$1,360.0	(10.1)%	$1,490.5	(8.8)%
Outsourcing	**1,531.3**	1,592.2	(3.8)%	1,728.3	(7.9)%
Infrastructure services	**472.4**	563.9	(16.2)%	735.1	(23.3)%
Core maintenance	**230.6**	308.8	(25.3)%	371.4	(16.9)%
	3,457.4	3,824.9	(9.6)%	4,325.3	(11.6)%
Technology					
Enterprise-class servers	**462.5**	464.6	(.5)%	515.8	(9.9)%
Other technology	**99.7**	96.2	3.6%	113.8	(15.5)%
	562.2	560.8	.2%	629.6	(10.9)%
Total	**$4,019.6**	$4,385.7	(8.3)%	$4,954.9	(11.5)%

Information by business segment for 2010, 2009 and 2008 is presented below:

(millions of dollars)	Total	Eliminations	Services	Technology
2010				
Customer revenue	$4,019.6		$3,457.4	$ 562.2
Intersegment		$ (116.6)	5.9	110.7
Total revenue	$4,019.6	$ (116.6)	$3,463.3	$ 672.9
Gross profit percent	26.7%		20.1%	55.1%
Operating income percent	9.3%		6.7%	21.6%
2009				
Customer revenue	$4,385.7		$3,824.9	$ 560.8
Intersegment		$ (170.8)	6.9	163.9
Total revenue	$4,385.7	$ (170.8)	$3,831.8	$ 724.7
Gross profit percent	25.4%		19.2%	49.6%
Operating income percent	7.5%		6.2%	12.4%
2008				
Customer revenue	$4,954.9		$4,325.3	$ 629.6
Intersegment		$ (232.0)	13.9	218.1
Total revenue	$4,954.9	$ (232.0)	$4,339.2	$ 847.7
Gross profit percent	21.9%		18.3%	43.5%
Operating income percent	0.0%		2.3%	4.1%

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

In the Services segment, customer revenue was $3.46 billion in 2010, $3.82 billion in 2009 and $4.33 billion in 2008. Approximately 2 percentage points of the decline in 2010 compared with 2009 were due to divestitures of businesses. Foreign currency had about a 1-percentage-point positive impact on Services revenue in 2010 compared with 2009.

Reflecting lower demand for project-based services and the continued reshaping of the company’s services portfolio, revenue from systems integration and consulting decreased 10.1% in 2010 compared with 2009, and 2009 declined 8.8% compared with 2008.

Outsourcing revenue decreased 3.8% in 2010 from 2009 reflecting a decline in business processing outsourcing (BPO) revenue as information technology outsourcing (ITO) revenue was flat in 2010 compared with 2009. Outsourcing revenue decreased 7.9% in 2009 from 2008, primarily reflecting declines in BPO revenue.

Infrastructure services revenue declined 16.2% in 2010 compared with 2009 and 23.3% in 2009 compared with 2008. The decline in both periods reflects the company’s de-emphasis of lower-margin business, as well as the shift away from project work to managed outsourcing contracts. Approximately 4 percentage points of the decline in 2010 compared with 2009 were due to divestitures of businesses.

Core maintenance revenue declined 25.3% in 2010 compared with 2009. Approximately 12 percentage points of the decline were due to divestitures of businesses. Core maintenance revenue declined 16.9% in 2009 compared with 2008. The declines in both periods reflect the continuing secular decline of core maintenance.

Services gross profit percent was 20.1% in 2010, 19.2% in 2009 and 18.3% in 2008. Services operating income percent was 6.7% in 2010 compared with 6.2% in 2009 and 2.3% in 2008.

In the Technology segment, customer revenue was $562.2 million in 2010, $560.8 million in 2009 and $629.6 million in 2008. Foreign currency translation had a negligible impact on Technology revenue in 2010 compared with 2009. Adjusting for divested businesses, the growth rate in Technology revenue in 2010 would have been 4 percentage points higher. The decline in Technology revenue in 2009 compared with 2008 primarily reflected lower sales of ES7000 servers and specialized equipment.

Revenue for the company's enterprise-class servers was flat in 2010 compared with 2009 and declined 9.9% in 2009 compared with 2008. Technology sales in 2009 slowed as clients tightened spending on information technology projects due to economic concerns.

Revenue from other technology increased 3.6% in 2010 compared with 2009 and decreased 15.5% in 2009 compared with 2008. Adjusting for divested businesses, the growth rate in other technology revenue in 2010 would have been 19 percentage points higher.

Technology gross profit percent was 55.1% in 2010, 49.6% in 2009 and 43.5% in 2008. Technology operating income percent was 21.6% in 2010 compared with 12.4% in 2009 and 4.1% in 2008. The increase in gross profit margin and operating profit margin percents in both periods reflects a richer mix of higher margin enterprise servers.

New accounting pronouncements

See Note 5 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 results of operations and financial condition.

Financial condition

The company's principal sources of liquidity are cash on hand, cash from operations and its U.S. trade accounts receivable securitization facility (the A/R Facility), which is discussed below. The company's anticipated future cash expenditures are discussed below and include anticipated contributions to its defined benefit pension plans. The company believes that it will have adequate sources of liquidity to meet its expected 2011 cash requirements.

Cash and cash equivalents at December 31, 2010 were $828.3 million compared with $647.6 million at December 31, 2009. At December 31, 2010, the company had sold no receivables under the A/R Facility compared with $100 million as of December 31, 2009 and $141 million at December 31, 2008.

During 2010, cash provided by operations was $336.8 million compared with $396.8 million in 2009. The principal reason for the decline in cash provided from operations was the decrease in the utilization in the A/R Facility, discussed above. Cash expenditures related to restructuring actions (which are included in operating activities) in 2010 and 2009 were $22.4 million and $61.3 million, respectively. Cash expenditures for restructuring actions are expected to be approximately $5 million in 2011.

Cash used for investing activities in 2010 was $61.6 million compared with cash used of $271.3 million in 2009. The current year includes net proceeds of $117.2 million related to the sale of the company's HIM business, U.S. specialized technology check sorter and related U.S. maintenance business and UISL business (see Note 3 of the Notes to Consolidated Financial Statements). Items affecting cash used for investing activities were the following: Net proceeds from investments in 2010 were $.9 million compared with net proceeds of $1.3 million in 2009. Proceeds from investments and purchases of investments represent derivative financial instruments used to manage the company's currency exposure to market risks from changes in foreign currency exchange rates. During the year ended December 31, 2010, the net change in restricted deposits resulted in cash provided of $23.4 million compared with a cash usage of $86.8 million in 2009. In addition, the investment in marketable software was $55.8 million in 2010 compared with $57.6 million in 2009, capital additions of properties were $64.1 million in 2010 compared with $45.9 million in 2009 and capital additions of outsourcing assets were $83.2 million in 2010 compared with $97.8 million in 2009. The increase in capital additions of properties was principally due to expenditures related to new leased facilities as part of the company's multi-year plan to reduce its square footage.

Cash used for financing activities during 2010 was $91.5 million compared with cash used of $46.1 million in 2009. The current-year period includes $92.8 million used to reduce long-term debt. Cash used during 2009 relates to the debt exchange discussed below.

At December 31, 2010, total debt was $824.0 million, a decrease of $87.7 million from December 31, 2009, principally due to the redemption at maturity of the remainder of the company's 6 7/8% senior notes and the call of the company's remaining 8 1/2% senior notes. In December 2010, the company called all $14.2 million outstanding of its 8 1/2% senior notes due October 15, 2015 and recognized a charge of $.7 million in "Other income (expense), net".

On July 31, 2009, the company completed offers to exchange its 6 7/8% senior notes due 2010 (the 2010 Notes), its 8% senior notes due 2012 (the 2012 Notes), its 8 1/2% senior notes due 2015 (the 2015 Notes) and its 12 1/2% senior notes due 2016 (the 2016 Notes) in private placements for new 12 3/4% senior secured notes due 2014 (the First Lien Notes), new 14 1/4% senior secured notes due 2015 (the Second Lien Notes and, together with First Lien Notes, the New Secured Notes), shares of the company's common stock and cash. On that date, the company issued $385.0 million aggregate principal amount of First Lien Notes, $246.6 million aggregate principal amount of Second Lien Notes and 5.2 million shares of common stock and paid $30.0 million in cash in exchange for $235.1 million aggregate principal amount of 2010 Notes, $332.0 million aggregate principal amount of 2012 Notes, $134.0 million aggregate principal amount of 2015 Notes, and $59.4 million aggregate principal amount of 2016 Notes. The New Secured Notes, which are not registered with the Securities and Exchange Commission, are guaranteed by Unisys Holding Corporation, a wholly owned Delaware corporation that directly or indirectly holds the shares of substantially all of the company's foreign subsidiaries, and by certain of the company's other current and future U.S. subsidiaries. The First Lien Notes and Second Lien Notes are secured by first-priority liens and second-priority liens, respectively (in each case, subject to permitted prior liens) on substantially all of the company's assets, except (i) accounts receivable that are subject to one or more receivables facilities, (ii) real estate located outside the U.S., (iii) cash or cash equivalents securing reimbursement obligations under letters of credit or surety bonds and (iv) certain other excluded assets. In 2009, the company recognized a net gain of $.5 million on the exchange in "Other income (expense), net".

The company and certain international subsidiaries have access to uncommitted lines of credit from various banks.

In May 2008, the company entered into the A/R Facility. Under this three-year facility, the company has agreed to sell, on an ongoing basis, through Unisys Funding Corporation I, a wholly owned subsidiary, up to $150 million of interests in eligible U.S. trade accounts receivable. Under the A/R Facility, receivables are sold at a discount that reflects, among other things, a yield based on LIBOR subject to a minimum rate. The A/R Facility includes customary representations and warranties, including no material adverse change in the company's business, assets, liabilities, operations or financial condition. It also requires the company to maintain a minimum fixed charge coverage ratio and requires the maintenance of certain ratios related to the sold receivables. Other termination events include failure to perform covenants, materially incorrect representations and warranties, change of control and default under debt aggregating at least $25 million. As discussed in Note 5 of the Notes to Consolidated Financial Statements, effective January 1, 2010, the company adopted a new accounting standard whereby the A/R Facility no longer meets the requirements to be treated as a sale, and therefore any sales under the facility will be accounted for as a secured borrowing. At December 31, 2010 and December 31, 2009, the company had sold zero and $100 million, respectively, of eligible receivables. At December 31, 2009, the receivables sold under the facility of $100 million were treated as a sale and therefore removed from the accompanying consolidated balance sheet.

At December 31, 2010, 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.

As described more fully in Notes 9 and 11 of the Notes to Consolidated Financial Statements, at December 31, 2010, the company had certain cash obligations, which are due as follows:

(millions of dollars)	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt	$ 842.0	$ .8	$ 69.0	$ 621.6	$ 150.6
Interest payments on long-term debt	481.4	107.2	209.0	155.8	9.4
Operating leases	344.8	70.5	113.3	73.7	87.3
Minimum purchase obligations	126.3	32.1	63.0	31.2	–
Total	$1,794.5	$ 210.6	$ 454.3	$ 882.3	$ 247.3

As described in Note 16 of the Notes to Consolidated Financial Statements, in 2011 the company expects to make cash contributions of approximately $115 million to its worldwide defined benefit pension plans, principally international plans. In accordance with regulations governing contributions to U.S. defined benefit pension plans, the company is not required to fund its U.S. qualified defined benefit pension plan in 2011. Based on current legislation, recent interest rates and expected returns for 2011, the company currently expects that it will be required to make a contribution of approximately $100 million in 2012 to this plan.

At December 31, 2010, the company had outstanding standby letters of credit and surety bonds of approximately $268 million related to performance and payment guarantees. On the basis of experience with these arrangements, the company believes that any obligations that may arise will not be material.

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. The company has on file with the Securities and Exchange Commission an effective registration statement covering $1.1 billion of debt or equity securities, which enables the company to be prepared for future market opportunities.

Stockholders' deficit decreased $337.9 million during 2010, principally reflecting consolidated net income of $236.1 million, share-based compensation and share issuances of $9.7 million, currency translation gains of $25.7 million, an increase in the funded status of the company's defined benefit plans of $59.5 million and an increase in noncontrolling interest of $6.9 million.

Goodwill is reviewed annually for impairment and whenever events or circumstances occur indicating that goodwill may be impaired. The company performed its annual impairment test in the fourth quarter of 2010, which indicated that goodwill was not impaired. At December 31, 2010, the company does not have any reporting units that are at risk of failing the company's goodwill impairment review.

Market risk

The company has exposure to interest rate risk from its short-term and long-term debt. In general, the company's long-term debt is fixed rate and, to the extent it has any, its short-term debt is variable rate. See Note 9 of the Notes to Consolidated Financial Statements for components of the company's long-term debt. The company believes that the market risk assuming a hypothetical 10% increase in interest rates would not be material to the fair value of these financial instruments, or the related cash flows, or future results of operations.

The company is also exposed to foreign currency exchange rate risks. The company is a net receiver of currencies other than the U.S. dollar and, as such, can benefit from a weaker dollar, and can be adversely affected by a stronger dollar relative to major currencies worldwide. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. dollar, may adversely affect consolidated revenue and operating margins as expressed in U.S. dollars. To minimize currency exposure gains and losses, the company enters into forward exchange contracts and has natural hedges by purchasing components and incurring expenses in local currencies. The company uses derivative financial instruments to reduce its exposure to market risks from changes in foreign currency exchange rates. The derivative instruments used are foreign exchange forward contracts. See Note 12 of the Notes to Consolidated Financial Statements for additional information on the company's derivative financial instruments.

The company has performed a sensitivity analysis assuming a hypothetical 10% adverse movement in foreign currency exchange rates applied to these derivative financial instruments described above. As of December 31, 2010 and 2009, the analysis indicated that such market movements would have reduced the estimated fair value of these derivative financial instruments by approximately $3 million and $4 million, respectively. Based on changes in the timing and amount of interest rate and foreign currency exchange rate movements and the company's actual exposures and hedges, actual gains and losses in the future may differ from the above analysis.

Critical accounting policies

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

Outsourcing

Typically, the initial terms of the company's outsourcing contracts are between 3 and 5 years. In certain of these arrangements, the company hires certain of the customers' employees and often becomes responsible for the related employee obligations, such as pension and severance commitments. In addition, system development activity on outsourcing contracts often requires significant upfront investments by the company. The company funds these investments, and any employee-related obligations, from customer prepayments and operating cash flow. Also, in the early phases of these contracts, gross margins may be lower than in later years when the work force and facilities have been rationalized for efficient operations, and an integrated systems solution has been implemented.

Revenue under these contracts is recognized when the company performs the services or processes transactions in accordance with contractual performance standards. Customer prepayments (even if nonrefundable) are deferred (classified as a liability) and recognized systematically as revenue over the initial contract term.

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

Recoverability of outsourcing assets is subject to various business risks, including the timely completion and ultimate cost of the outsourcing solution, and realization of expected profitability of existing outsourcing contracts. The company quarterly compares the carrying value of the outsourcing assets with the undiscounted future cash flows expected to be generated by the outsourcing assets to determine if there is an impairment. If impaired, the outsourcing assets are reduced to an estimated fair value on a discounted cash flow approach. The company prepares its cash flow estimates based on assumptions that it believes to be reasonable but are also inherently uncertain. Actual future cash flows could differ from these estimates. At December 31, 2010 and 2009, the net capitalized amount related to outsourcing contracts was $162.3 million and $213.7 million, respectively.

Revenue recognition

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

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

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. In 2005, the company recorded a noncash charge of $1.6 billion to increase the valuation allowance against deferred taxes.

At December 31, 2010 and 2009, the company had deferred tax assets in excess of deferred tax liabilities of $2,612 million and $2,656 million, respectively. For the reasons cited below, at December 31, 2010 and 2009, management determined that it is more likely than not that $185 million and $173 million, respectively, of such assets will be realized, resulting in a valuation allowance of $2,427 million and $2,483 million, respectively.

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

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

Internal Revenue Code Sections 382 and 383 provide annual limitations with respect to the ability of a corporation to utilize its net operating loss and tax credit carryforwards, respectively, against future U.S. taxable income, if the corporation experiences an “ownership change.” Based on currently available information, the company believes that an ownership change occurred as of January 2011 for purposes of the rules described above. See Note 7 of the Notes to Consolidated Financial Statements.

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

Accounting rules governing income taxes also prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The company maintains reserves for estimated tax exposures including penalties and interest. Income tax exposures include potential challenges of research and development credits and intercompany pricing. Exposures are settled primarily through the settlement of audits within these tax jurisdictions, but can also be affected by changes in applicable tax law or other factors, which could cause management of the company to believe a revision of past estimates is appropriate. Management believes that an appropriate liability has been established for estimated exposures; however, actual results may differ materially from these estimates. The liabilities are reviewed quarterly for their adequacy and appropriateness. See Note 7 of the Notes to Consolidated Financial Statements.

Pensions

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

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

A significant element in determining the company’s pension income (expense) is the expected long-term rate of return on plan assets. The company sets the expected long-term rate of return based on the expected long-term return of the various asset categories in which it invests. The company considers the current expectations for future returns and the actual historical returns of each asset class. Also, because the company’s investment policy is to actively manage certain asset classes where the potential exists to outperform the broader market, the expected returns for those asset classes are adjusted to reflect the expected additional returns. For 2011 and 2010, the company has assumed that the expected long-term rate of return on U.S. plan assets will be 8.75%. A change of 25 basis points in the expected long-term rate of return for the company’s U.S. and principal non-U.S. pension plans causes a change of approximately $10 million and $4 million, respectively, in pension expense. The assumed long-term rate of return on assets is applied to a calculated value of plan assets, which recognizes changes in the fair value of plan assets in a systematic manner over four years. This produces the expected return on plan assets that is included in pension income (expense). The difference between this expected return and the actual return on plan assets is deferred. The net deferral of past asset gains (losses) affects the calculated value of plan assets and, ultimately, future pension income (expense). At December 31, 2010, for the company’s U.S. qualified defined benefit pension plan, the calculated value of plan assets was $4.07 billion and the fair value was $3.90 billion.

At the end of each year, the company determines the discount rate to be used to calculate the present value of plan liabilities. The discount rate is an estimate of the current interest rate at which the pension liabilities could be effectively settled at the end of the year. In estimating this rate, the company looks to rates of return on high-quality, fixed-income investments that (a) receive one of the two highest ratings given by a recognized ratings agency and (b) are currently available and expected to be available during the period to maturity of the pension benefits. At December 31, 2010, the company determined this rate to be 5.68% for its U.S. defined benefit pension plans, a decrease of 43 basis points from the rate used at December 31, 2009. A change of 25 basis points in the U.S. and principal non-U.S. discount rates causes a change in pension expense of approximately zero and $3 million, respectively, and a change of approximately $113 million and $68 million, respectively, in the benefit obligation. The net effect of changes in the discount rate, as well as the net effect of other changes in actuarial assumptions and experience, has been deferred, as permitted.

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

As a minimum, amortization of an unrecognized net gain or loss must be included as a component of net pension cost for a year if, as of the beginning of the year, that unrecognized net gain or loss exceeds 10 percent of the greater of the projected benefit obligation or the calculated value of plan assets. If amortization is required, the minimum amortization is that excess above the 10 percent divided by the average remaining life expectancy of the plan participants. For the company’s U.S. defined benefit pension plan, that period is approximately 21 years. At December 31, 2010, based on the calculated value of plan assets, the estimated unrecognized loss was $2.11 billion.

For the year ended December 31, 2010, the company recognized consolidated pretax pension income of $2.9 million, compared with pretax pension income of $23.6 million for the year ended December 31, 2009. For 2011, the company expects to recognize pension expense of approximately $36 million. See Note 16 of the Notes to Consolidated Financial Statements.

During 2010, the company made cash contributions to its worldwide defined benefit pension plans (principally international plans) of $81.5 million and expects to make cash contributions of approximately $115 million during 2011. In accordance with regulations governing contributions to U.S. defined benefit pension plans, the company is not required to fund its U.S. qualified defined benefit pension plan in 2011. Based on current legislation, recent interest rates and expected returns for 2011, the company currently expects that it will be required to make a contribution of approximately $100 million in 2012 to this plan.

Restructuring

In recent years, the company engaged in actions associated with cost reduction initiatives. The company’s cost-reduction actions require significant estimates including (a) expenses for severance and other employee separation costs, (b) remaining lease obligations, including sublease income, and (c) other exit costs. The company has accrued amounts that it believes are its best estimates of the obligations it expects to incur in connection with these actions, but these estimates are subject to change due to market conditions and final negotiations. Should the actual amounts differ from the estimated amounts, the charges could be materially impacted.

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:

Future results will depend in part on the company’s ability to drive profitable growth in consulting and systems integration. The company’s ability to grow profitably in this business will depend on the level of demand for systems integration projects and the portfolio of solutions the company offers for specific industries. It will also depend on an improvement in the utilization of services delivery personnel. In addition, profit margins in this business are largely a function of 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 suffer. 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 in part on its ability to take on, successfully implement and grow outsourcing operations. The company’s outsourcing contracts are multiyear engagements under which the company takes over management of a client’s technology operations, business processes or networks. In a number of these arrangements, the company hires certain of its clients’ employees and may become responsible for the related employee obligations, such as pension and severance commitments. In addition, system development activity on outsourcing contracts may require the company to make significant upfront investments. The company will need to have available sufficient financial resources in order to take on these obligations and make these investments.

Recoverability of outsourcing assets is dependent on various factors, including the timely completion and ultimate cost of the outsourcing solution, and realization of expected profitability of existing outsourcing contracts. These risks could result in an impairment of a portion of the associated assets, which are tested for recoverability quarterly.

As long-term relationships, outsourcing contracts provide a base of recurring revenue. However, outsourcing contracts are highly complex and can involve the design, development, implementation and operation of new solutions and the transitioning of clients from their existing business processes to the new environment. In the early phases of these contracts, gross margins may be lower than in later years when an integrated solution has been implemented, the duplicate costs of transitioning from the old to the new system have been eliminated and the work force and facilities have been rationalized for efficient operations. Future results will depend on the company’s ability to effectively and timely complete these implementations, transitions and rationalizations.

Future results will also depend, in part, on market demand for the company’s high-end enterprise servers and maintenance on these servers. The company continues to apply its resources to develop value-added software capabilities and optimized solutions for these server platforms which provide competitive differentiation. Future results will depend on the company’s ability to maintain its installed base for ClearPath and to develop next-generation ClearPath products to expand the market.

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

The company's future results will depend on its ability to retain significant clients. The company has a number of significant long-term contracts with clients, including governmental entities, and its future success will depend, in part, on retaining its relationships with these clients. The company could lose clients for such reasons as contract expiration, conversion to a competing service provider, disputes with clients or a decision to in-source services, including for 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 future results will depend upon its ability to effectively anticipate and respond to volatility and rapid technological change in its industry. The company operates in a highly volatile industry characterized by rapid technological change, 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 and services on a timely and cost-effective basis. 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.

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 has significant pension obligations and may be required to make 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 2011, the company expects to make cash contributions of approximately $115 million to its worldwide, primarily non-U.S., defined benefit pension plans. In accordance with regulations governing contributions to U.S. defined benefit pension plans, the company is not required to fund its U.S. qualified defined benefit pension plan in 2011. Based on current legislation, recent interest rates and expected returns for 2011, the company currently expects that it will be required to make a contribution of approximately $100 million in 2012 to this plan.

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

The company's future results will depend on the success of its program to reduce costs, focus its global resources and simplify its business structure. Over the past several years, the company has implemented significant cost-reduction measures and continues to focus on measures intended to further improve cost efficiency. In prior years, the company has incurred significant cost reduction charges in connection with these efforts. Future results will depend on the success of these efforts as well as on the success of the company's program to focus its global resources and simplify its business structure. This program is based on various assumptions, including assumptions regarding market segment growth, client demand, and the proper skill set of and training for sales and marketing management and personnel, all of which are subject to change. Furthermore, the company's institutional stockholders may attempt to influence these strategies.

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.

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

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

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

Some of the company's systems integration contracts are fixed-price contracts under which the company assumes the risk for delivery of the contracted services and products at an agreed-upon fixed price. At times the company has experienced problems in performing some of these fixed-price contracts on a profitable basis and has provided periodically for adjustments to the estimated cost to complete them. Future results will depend on the company's ability to perform these services contracts profitably.

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 has commercial 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.

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. The capital and credit markets have experienced volatility and disruption. 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 intends to use 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 and intellectual property. See Note 14 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 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; and dispositions at unfavorable prices or on unfavorable terms, including relating to retained liabilities. 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.

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

As a result of the ownership change, utilization of the company’s Tax Attributes will be subject to an estimated overall annual limitation determined in part by multiplying the total aggregate market value of the company’s common stock immediately preceding the ownership change by the applicable long-term tax-exempt rate (which is 4.10% for January 2011), possibly subject to increase based on the built-in gain if any, in the company’s assets at the time of the ownership change. Any unused annual limitation may be carried over to later years. Future U.S. taxable income may not be fully offset by existing Tax Attributes, if such income exceeds the company’s annual limitation. However, based on presently available information and the existence of tax planning strategies, currently the company does not expect to incur a cash tax liability in the near term. The company maintains a full valuation allowance against the realization of all U.S. deferred tax assets as well as certain foreign deferred tax assets in excess of deferred tax liabilities.

Unisys Corporation

Consolidated Financial Statements

Consolidated Statements of Income

Year ended December 31 (millions, except per share data)	**2010**	2009*	2008*
Revenue			
Services	**$3,457.4**	$3,824.9	$4,325.3
Technology	**562.2**	560.8	629.6
	4,019.6	4,385.7	4,954.9
Costs and expenses			
Cost of revenue:			
Services	**2,731.8**	3,026.1	3,527.9
Technology	**216.1**	246.6	340.6
	2,947.9	3,272.7	3,868.5
Selling, general and administrative expenses	**617.1**	681.1	955.3
Research and development expenses	**78.9**	101.9	129.0
	3,643.9	4,055.7	4,952.8
Operating profit	**375.7**	330.0	2.1
Interest expense	**101.8**	95.2	85.1
Other income (expense), net	**(51.0)**	(16.6)	(14.6)
Income (loss) from continuing operations before income taxes	**222.9**	218.2	(97.6)
Provision for income taxes	**58.8**	42.3	40.9
Consolidated net income (loss) from continuing operations	**164.1**	175.9	(138.5)
Net income attributable to noncontrolling interests	**(5.2)**	(3.7)	(12.4)
Net income (loss) from continuing operations attributable to Unisys Corporation	**158.9**	172.2	(150.9)
Income from discontinued operations, net of tax	**77.2**	17.1	20.8
Net income (loss) attributable to Unisys Corporation	**$ 236.1**	$ 189.3	$ (130.1)
Earnings (loss) per share attributable to Unisys Corporation			
Basic			
Continuing operations	**$ 3.74**	$ 4.38	$ (4.20)
Discontinued operations	**1.81**	.44	.58
Total	**$ 5.55**	$ 4.82	$ (3.62)
Diluted			
Continuing operations	**$ 3.67**	$ 4.32	$ (4.20)
Discontinued operations	**1.78**	.43	.58
Total	**$ 5.45**	$ 4.75	$ (3.62)

** Reclassified for discontinued operations. See note 3.*

See notes to consolidated financial statements.

Unisys Corporation

Consolidated Balance Sheets

December 31 (millions)	2010	2009*
Assets		
Current assets		
Cash and cash equivalents	**$ 828.3**	$ 647.6
Accounts and notes receivable, net	**789.7**	767.4
Inventories:		
Parts and finished equipment	**44.8**	57.5
Work in process and materials	**44.1**	43.0
Deferred income taxes	**40.7**	19.9
Prepaid expenses and other current assets	**127.8**	139.2
Assets of discontinued operations	**–**	98.8
Total	**1,875.4**	1,773.4
Properties	**1,339.0**	1,365.8
Less – Accumulated depreciation and amortization	**1,119.3**	1,140.1
Properties, net	**219.7**	225.7
Outsourcing assets, net	**162.3**	213.7
Marketable software, net	**143.8**	151.5
Prepaid postretirement assets	**31.2**	–
Deferred income taxes	**179.6**	180.6
Goodwill	**197.9**	198.5
Other long-term assets	**211.0**	213.5
Total	**$ 3,020.9**	$ 2,956.9
Liabilities and stockholders' deficit		
Current liabilities		
Current maturities of long-term debt	**$ .8**	$ 65.8
Accounts payable	**260.7**	292.2
Deferred revenue	**556.3**	439.1
Other accrued liabilities	**518.9**	566.0
Liabilities of discontinued operations	**–**	87.1
Total	**1,336.7**	1,450.2
Long-term debt	**823.2**	845.9
Long-term postretirement liabilities	**1,509.2**	1,640.6
Long-term deferred revenue	**149.4**	149.2
Other long-term liabilities	**136.2**	142.7
Commitments and contingencies		
Stockholders' deficit		
Common stock, par value $.01 per share (72.0 million shares authorized; 42.9 million shares and 42.5 million shares issued)	**.4**	.4
Accumulated deficit	**(2,170.6)**	(2,406.7)
Treasury stock, at cost	**(46.0)**	(45.0)
Paid-in capital	**4,207.2**	4,196.5
Accumulated other comprehensive loss	**(2,928.3)**	(3,013.5)
Total Unisys stockholders' deficit	**(937.3)**	(1,268.3)
Noncontrolling interests	**3.5**	(3.4)
Total stockholders' deficit	**(933.8)**	(1,271.7)
Total	**$ 3,020.9**	$ 2,956.9

** Reclassified for discontinued operations. See note 3.*

See notes to consolidated financial statements.

Unisys Corporation

Consolidated Statements of Cash Flows

Year ended December 31 (millions)	**2010**	2009	2008
Cash flows from operating activities			
Consolidated net income (loss) from continuing operations	**$ 164.1**	$ 175.9	$ (138.5)
Income from discontinued operations, net of tax	**77.2**	17.1	20.8
Add (deduct) items to reconcile consolidated net income (loss) to net cash provided by operating activities:			
Company stock issued for U.S. 401(k) plan	**–**	–	41.8
Foreign currency transaction losses	**19.9**	–	–
Loss on debt extinguishment	**2.1**	–	–
Employee stock compensation	**9.4**	.7	1.1
Depreciation and amortization of properties	**75.8**	96.9	105.7
Depreciation and amortization of outsourcing assets	**111.9**	151.0	162.6
Amortization of marketable software	**62.9**	104.6	149.7
Disposal of capital assets	**9.8**	10.8	12.9
(Gain) loss on sale of businesses and assets	**(65.5)**	8.8	–
Increase in deferred income taxes, net	**(34.4)**	(87.9)	(9.9)
(Increase) decrease in receivables, net	**(31.9)**	62.1	186.7
Decrease in inventories	**12.4**	14.0	27.2
Increase in other assets	**(94.2)**	(121.9)	(119.7)
Increase (decrease) in accounts payable and other accrued liabilities	**56.5**	(70.7)	(110.9)
(Decrease) increase in other liabilities	**(38.4)**	37.3	(79.1)
Other	**(.8)**	(1.9)	4.2
Net cash provided by operating activities	**336.8**	396.8	254.6
Cash flows from investing activities			
Proceeds from investments	**417.4**	404.1	6,208.2
Purchases of investments	**(416.5)**	(402.8)	(6,190.3)
Restricted deposits	**23.4**	(86.8)	–
Investment in marketable software	**(55.8)**	(57.6)	(84.5)
Capital additions of properties	**(64.1)**	(45.9)	(76.9)
Capital additions of outsourcing assets	**(83.2)**	(97.8)	(133.1)
Proceeds from sales (purchases) of businesses and assets	**117.2**	15.5	(6.4)
Net cash used for investing activities	**(61.6)**	(271.3)	(283.0)
Cash flows from financing activities			
Payments of long-term debt	**(92.8)**	(30.0)	(200.0)
Financing fees	**(.1)**	(16.1)	(.8)
Net reduction in short-term borrowings	**–**	–	(.1)
Proceeds from exercise of stock options	**1.4**	–	–
Net cash used for financing activities	**(91.5)**	(46.1)	(200.9)
Effect of exchange rate changes on cash and cash equivalents	**(3.0)**	24.2	(56.9)
Increase (decrease) in cash and cash equivalents	**180.7**	103.6	(286.2)
Cash and cash equivalents, beginning of year	**647.6**	544.0	830.2
Cash and cash equivalents, end of year	**$ 828.3**	$ 647.6	$ 544.0

See notes to consolidated financial statements.

Unisys Corporation

Consolidated Statements of Stockholders' Equity (Deficit)

			Unisys Corporation								
				Common Stock			Treasury Stock				
(millions)	Total	Compre-hensive Income(Loss)	Total	Par Value	Shares	Accumu-lated Deficit	Cost	Shares	Paid-in Capital	Accumu-lated Other Compre-hensive Loss	Non-controlling Interests
Balance at December 31, 2007	$ 404.1		$ 386.6	$ .4	35.6	$(2,465.9)	$(44.5)	(.2)	$4,059.5	$(1,162.9)	$ 17.5
Stock-based compensation	42.8		42.8		1.6		(.3)		43.1		
Dividends paid to noncontrolling interests	(.9)										(.9)
Share purchase of noncontrolling interests	(3.7)										(3.7)
Comprehensive Loss:											
Consolidated net income (loss)	(117.7)	$ (117.7)	(130.1)			(130.1)					12.4
Other comprehensive loss:											
Translation adjustments	(121.0)	(121.0)	(106.2)							(106.2)	(14.8)
Postretirement plans	(1,627.4)	(1,627.4)	(1,635.5)							(1,635.5)	8.1
	(1,748.4)	(1,748.4)									
Comprehensive loss	(1,866.1)	(1,866.1)									
Balance at December 31, 2008	(1,423.8)		(1,442.4)	.4	37.2	(2,596.0)	(44.8)	(.2)	4,102.6	(2,904.6)	18.6
Stock-based compensation	1.9		1.9		.1		(.2)		2.1		
Shares issued in debt exchange	91.8		91.8		5.2				91.8		
Comprehensive Income:											
Consolidated net income	193.0	193.0	189.3			189.3					3.7
Other comprehensive income:											
Translation adjustments	78.1	78.1	71.6							71.6	6.5
Postretirement plans	(212.7)	(212.7)	(180.5)							(180.5)	(32.2)
	(134.6)	(134.6)									
Comprehensive income	58.4	58.4									
Balance at December 31, 2009	(1,271.7)		(1,268.3)	.4	42.5	(2,406.7)	(45.0)	(.2)	4,196.5	(3,013.5)	(3.4)
Stock-based compensation	9.7		9.7		.4		(1.0)	(.1)	10.7		
Comprehensive Income:											
Consolidated net income	241.3	241.3	236.1			236.1					5.2
Other comprehensive income:											
Translation adjustments	24.2	24.2	25.7							25.7	(1.5)
Postretirement plans	62.7	62.7	59.5							59.5	3.2
	86.9	86.9									
Comprehensive income	328.2	328.2									
Balance at December 31, 2010	$ (933.8)		$ (937.3)	$ .4	42.9	$(2,170.6)	$(46.0)	(.3)	$4,207.2	$(2,928.3)	$ 3.5

See notes to consolidated financial statements.

Unisys Corporation

Notes to Consolidated Financial Statements

1. Summary of significant accounting policies

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

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

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

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

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

Advertising costs All advertising costs are expensed as incurred. The amount charged to expense during 2010, 2009 and 2008 was $.6 million, $1.6 million and $5.9 million, respectively.

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

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

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

Revenue from software licenses with standard payment terms is recognized at the inception of the initial license term and upon execution of an extension to the license term. The company also enters into multiple-element arrangements, which may include any combination of hardware, software or services. In these transactions, the company allocates the total revenue to be earned under the arrangement among the various elements based on their fair value. For software, and elements for which software is essential to the functionality, the allocation of revenue is based on vendor-specific objective evidence (VSOE) of fair value. VSOE of fair value for all elements of an arrangement is based upon the normal pricing and discounting practices for those products and services when sold separately. There may be cases in which there is VSOE of fair value of the undelivered elements but no such evidence for the delivered elements. In these cases, the residual method is used to allocate the arrangement consideration. Under the residual method, the amount of consideration allocated to the delivered elements equals the total arrangement consideration less the aggregate VSOE of fair value of the undelivered elements. The company recognizes revenue on delivered elements only if: (a) any undelivered products or services are not essential to the functionality of the delivered products or services, (b) the company has an enforceable claim to receive the amount due in the event it does not deliver the undelivered products or services, (c) there is evidence of the fair value for each undelivered products or services, and (d) the revenue recognition criteria otherwise have been met for the delivered elements. Otherwise, revenue on delivered elements is recognized as the undelivered elements are delivered.

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

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

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

Revenue from time and materials service contracts and outsourcing contracts is recognized as the services are provided.

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

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

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

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

Outsourcing assets Costs on outsourcing contracts are generally expensed as incurred. However, certain costs incurred upon initiation of an outsourcing contract are deferred and expensed over the initial contract life. These costs consist principally of initial customer setup and employment obligations related to employees hired under terms of the outsourcing contracts. Additionally, marketable software development costs incurred to develop specific application software for outsourcing are capitalized once technological feasibility has been established. Capitalized software used in outsourcing arrangements is amortized based on current and estimated future revenue from the product. The amortization expense is not less than straight-line amortization expense over the product’s useful life. Fixed assets acquired in connection with outsourcing contracts are capitalized and depreciated over the shorter of the initial contract life or in accordance with the fixed asset policy described above.

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

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

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

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

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

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

Fair value measurements Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. When determining fair value measurements for assets and liabilities required to be recorded at fair value, the company considers the principal or most advantageous market in which it would transact and also considers assumptions that market participants would use when pricing an asset or liability. The fair value hierarchy has three levels of inputs that may be used to measure fair value: Level 1 – Quoted market prices in active markets for identical assets or liabilities; Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data; and Level 3 – Unobservable inputs that are not corroborated by market data. The company has applied fair value measurements to its derivatives (see note 12), to its postretirement plan assets (see note 16) and to its long-term debt (see note 9).

2. Earnings per share

The following table shows how the earnings (loss) per share attributable to Unisys Corporation were computed for the three years ended December 31, 2010.

Year ended December 31 (millions, except per share data)	**2010**	2009	2008
Basic earnings (loss) per share computation			
Net income (loss) from continuing operations attributable to Unisys Corporation	**$ 158.9**	$ 172.2	$(150.9)
Income from discontinued operations, net of tax	**77.2**	17.1	20.8
Net income (loss) attributable to Unisys Corporation	**$ 236.1**	$ 189.3	$(130.1)
Weighted average shares (thousands)	**42,562**	39,241	35,978
Basic earnings (loss) per share			
Continuing operations	**$ 3.74**	$ 4.38	$ (4.20)
Discontinued operations	**1.81**	.44	.58
Total	**$ 5.55**	$ 4.82	$ (3.62)
Diluted earnings (loss) per share computation			
Net income (loss) from continuing operations attributable to Unisys Corporation	**$ 158.9**	$ 172.2	$(150.9)
Income from discontinued operations, net of tax	**77.2**	17.1	20.8
Net income (loss) attributable to Unisys Corporation	**$ 236.1**	$ 189.3	$(130.1)
Weighted average shares (thousands)	**42,562**	39,241	35,978
Plus incremental shares from assumed conversions of employee stock plans	**771**	593	–
Adjusted weighted average shares	**43,333**	39,834	35,978
Diluted earnings (loss) per share			
Continuing operations	**$ 3.67**	$ 4.32	$ (4.20)
Discontinued operations	**1.78**	.43	.58
Total	**$ 5.45**	$ 4.75	$ (3.62)

The following weighted-average securities were antidilutive and therefore excluded from the computation of diluted earnings (loss) per share (in thousands): 2010, 2,545; 2009, 3,165; 2008, 4,131.

3. Discontinued operations and sale of business

On April 30, 2010, the company completed the sale of its health information management (HIM) business, and on August 31, 2010, the company completed the sale of its UK-based Unisys Insurance Services Limited (UISL) business, which provides business process outsourcing (BPO) services to the UK life and pensions industry. In connection with the sale of UISL, the company has payment obligations of $18.6 million to be paid ratably over the next four quarterly periods. In 2010, the company received net proceeds of $117.2 million related to the sale of HIM, UISL and the U.S. specialized technology check sorter equipment and related U.S. maintenance business (discussed below).

The company's financial statements have been retroactively reclassified to report these businesses as discontinued operations. As a result, all items relating to these businesses within the consolidated statements of income have been reported as income from discontinued operations, net of tax, and all items relating to these businesses within the consolidated balance sheets have been reported as either assets or liabilities of discontinued operations.

The results of the HIM business discontinued operations for the three years ended December 31, 2010 were as follows (in millions of dollars):

(millions)	**2010***	2009	2008
Revenue	**$42.0**	$111.7	$103.4
Income			
Operations	**$10.0**	$ 19.6	$ 23.7
Gain on sale	**64.5**	–	–
	74.5	19.6	23.7
Income tax provision	**–**	–	9.5
Income from discontinued operations, net of tax	**$74.5**	$ 19.6	$ 14.2

** Includes results of operations through the April 30, 2010 closing date.*

The results of the UISL business discontinued operations for the three years ended December 31, 2010 were as follows (in millions of dollars):

(millions)	**2010***	2009	2008
Revenue	**$52.6**	$100.3	$174.9
Income (loss)			
Operations	**$ (1.8)**	$ (3.2)	$ 9.4
Gain on sale	**4.5**	–	–
	2.7	(3.2)	9.4
Income tax provision (benefit)	**–**	(.7)	2.8
Income (loss) from discontinued operations, net of tax	**$ 2.7**	$ (2.5)	$ 6.6

** Includes results of operations through the August 31, 2010 closing date.*

The results of total discontinued operations for the three years ended December 31, 2010 were as follows (in millions of dollars):

(millions)	**2010**	2009	2008
Revenue	**$94.6**	$212.0	$278.3
Income			
Operations	**$ 8.2**	$ 16.4	$ 33.1
Gain on sale	**69.0**	–	–
	77.2	16.4	33.1
Income tax provision (benefit)	**–**	(.7)	12.3
Income from discontinued operations, net of tax	**$77.2**	$ 17.1	$ 20.8

On February 1, 2010, the company completed the sale of its U.S. specialized technology check sorter equipment and related U.S. maintenance business. At December 31, 2009, the assets and liabilities of the business sold were reported as held for sale in the company's consolidated balance sheet as follows: approximately $24 million in "prepaid expenses and other current assets" and approximately $20 million in "other accrued liabilities." These amounts had been reflected at fair value, less cost to sell, and as a result, the company reported an impairment of $13.4 million in 2009 in the company's consolidated statement of income. In 2010, the company recorded a loss on the sale of approximately $3.3 million, principally as a result of closing date working capital and other adjustments. The divested business, which had operations in both of the company's reporting segments of Services and Technology, generated 2009 revenue and pretax loss of approximately $100 million and $3 million, respectively.

4. Goodwill

Goodwill is reviewed annually for impairment and whenever events or circumstances occur indicating that goodwill may be impaired. The company performed its annual impairment test in the fourth quarter of 2010, which indicated that goodwill was not impaired.

Changes in the carrying amount of goodwill by segment for the years ended December 31, 2010 and 2009 were as follows:

(millions)	Total	Services	Technology
Balance at December 31, 2008	$189.4	$ 79.9	$ 109.5
Translation adjustments	10.1	8.7	1.4
Sale of business	(1.0)	(.2)	(.8)
Balance at December 31, 2009	198.5	88.4	110.1
Sale of business	(1.3)	(1.3)	–
Translation adjustments	.7	(.2)	.9
Balance at December 31, 2010	$197.9	$ 86.9	$ 111.0

5. Recent accounting pronouncements and accounting changes

Effective January 1, 2010, the company adopted a Financial Accounting Standards Board (FASB) accounting standard which among other changes, eliminates the concept of a "qualifying special-purpose entity," changes the requirements for derecognizing financial assets, and defines the term participating interest to establish specific conditions for reporting a transfer of a portion of a financial asset as a sale. The recognition and measurement provisions are effective for transfers occurring on or after January 1, 2010. The company concluded that sales of participating interests in accounts receivable under its U.S. trade accounts receivable securitization facility no longer meet the requirements to be accounted for as sales due to the change in the definition of a participating interest, whereby all cash flows received from the entire financial asset must be divided proportionally among the participating interest holders in an amount equal to their share of ownership. Since in the company's U.S. trade accounts receivable securitization facility, the company's retained interest is subordinated to the other holders, the transaction does not meet the definition of the sale of a participating interest, and therefore any sales under the facility will be accounted for as a secured borrowing. See note 6.

In October 2009, the FASB issued two accounting standards. The first standard supersedes certain prior accounting guidance and requires an entity to allocate arrangement consideration at the inception of an arrangement to all of its deliverables based on their relative selling prices (i.e., the relative-selling-price method). The standard eliminates the use of the residual method of allocation and requires the relative-selling-price method in all circumstances in which an entity recognizes revenue for an arrangement with multiple deliverables subject to this standard. The second standard amends prior software revenue recognition accounting guidance by excluding from the scope of such prior guidance tangible products that contain both software elements and non-software elements that function together to deliver the tangible product's essential functionality. Both of these standards must be adopted at the same time and both will be effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, which for the company is January 1, 2011. The company will adopt these standards effective January 1, 2011 on a prospective basis for all new or materially modified arrangements entered into on or after that date. Adoption of these standards is not expected to have a material impact on the company's consolidated results of operations and financial position.

6. Accounts receivable

In May 2008, the company entered into a three-year, U.S. trade accounts receivable securitization facility (the A/R Facility). Under the A/R Facility, the company has agreed to sell, on an ongoing basis, through Unisys Funding Corporation I, a wholly owned subsidiary, up to $150 million of interests in eligible U.S. trade accounts receivable. Under the A/R Facility, receivables are sold at a discount that reflects, among other things, a yield based on LIBOR subject to a minimum rate. The A/R Facility includes customary representations and warranties, including no material adverse change in the company's business, assets, liabilities, operations or financial condition. It also requires the company to maintain a minimum fixed charge coverage ratio and requires the maintenance of certain ratios related to the sold receivables. Other termination events include failure to perform covenants, materially incorrect representations and warranties, change of control and default under debt aggregating at least $25 million.

As discussed in note 5, effective January 1, 2010, the company adopted a new accounting standard whereby the A/R Facility no longer meets the requirements to be treated as a sale, and therefore will be accounted for as a secured borrowing. At December 31, 2010, no receivables had been sold. At December 31, 2009, receivables of $100 million were sold and therefore removed from the accompanying consolidated balance sheet. At December 31, 2009, the company retained subordinated interests of $240 million, in the associated receivables; these receivables have been included in accounts and notes receivable in the accompanying consolidated balance sheets. The company received proceeds of zero in 2010, $1.2 billion in 2009 and $1.5 billion in 2008, from sales of accounts receivable interests under the A/R Facility.

The selling price of the receivables interests reflected a discount of 5.3% at December 31, 2009. The discount on the sales of these accounts receivable during the years ended December 31, 2010, 2009 and 2008, was zero, $5.6 million and $7.2 million, respectively. The discount was recorded in other income (expense), net in the accompanying consolidated statements of income.

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

Revenue recognized in excess of billings on services contracts, or unbilled accounts receivable, was $189.7 million and $149.7 million at December 31, 2010 and 2009, respectively. Such amounts, a portion of which are awaiting resolution of contract disputes, are included in accounts and notes receivable, net and are stated at net realizable value.

The allowance for doubtful accounts, which is reported as a deduction from accounts and notes receivable, was $37.0 million and $45.6 million at December 31, 2010 and 2009, respectively. The provision for doubtful accounts, which is reported in selling, general and administrative expenses in the consolidated statements of income, was (income) expense of $(.9) million, $(1.2) million and $7.0 million, in 2010, 2009 and 2008, respectively.

7. Income taxes

Following is the total income (loss) from continuing operations before income taxes and the continuing operations provision for income taxes for the three years ended December 31, 2010.

Year ended December 31 (millions)	**2010**	2009	2008
Income (loss) from continuing operations before income taxes			
United States	**$ 37.4**	$ 25.9	$(162.2)
Foreign	**185.5**	192.3	64.6
Total income (loss) from continuing operations before income taxes	**$222.9**	$218.2	$ (97.6)
Continuing operations provision for income taxes			
Current			
United States	**$ 8.7**	$ (6.7)	$ (14.5)
Foreign	**75.4**	45.8	61.6
State and local	**.3**	(.4)	(2.4)
Total	**84.4**	38.7	44.7
Deferred			
Foreign	**(25.6)**	3.6	(3.8)
Total continuing operations provision for income taxes	**$ 58.8**	$ 42.3	$ 40.9

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

Year ended December 31 (millions)	**2010**	2009	2008
United States statutory income tax provision (benefit)	**$ 78.0**	$ 76.4	$(34.2)
U.S. income or loss for which no provision or benefit has been recognized	**(4.8)**	(4.8)	52.4
Foreign tax expense, including withholding taxes	**(3.7)**	17.5	47.9
Change in valuation allowances due to changes in judgment	**(13.2)**	(28.7)	(9.7)
Effect of tax rate changes on temporary differences	**4.1**	2.0	–
Tax refund claims, audit issues and other matters			
U.S. Federal refundable credits	**.4**	(11.1)	(7.8)
U.S. state	**.3**	(.2)	(2.4)
Foreign	**(2.3)**	(8.8)	(5.3)
Continuing operations provision for income taxes	**$ 58.8**	$ 42.3	$ 40.9

Included in the caption "U.S. income or loss for which no provision or benefit has been recognized" and "Foreign tax expense, including withholding taxes" for 2010, 2009 and 2008 are reconciling items for companies with valuation allowances that did not recognize a tax provision or benefit in the amount of ($7.7) million, ($13.6) million, and $64.2 million, respectively. Also included in these captions for 2010, 2009 and 2008 are withholding taxes of $23.5 million, $12.4 million and $15.4 million, respectively, and the provision (benefit) related to differences between the U.S. statutory rate of 35% and the statutory rates in foreign jurisdictions of ($26.8) million, ($3.1) million and $7.6 million, respectively. In addition, the 2010, 2009 and 2008 provision for foreign tax expense includes tax (provisions) benefits of $(2.7) million, $7.7 million and $8.7 million, respectively, related to prior year foreign tax adjustments.

Cumulative undistributed earnings of foreign subsidiaries, for which no U.S. income or foreign withholding taxes have been recorded, approximated $854 million at December 31, 2010. As the company currently intends to indefinitely reinvest all such earnings, no provision has been made for income taxes that may become payable upon distribution of such earnings, and it is not practicable to determine the amount of the related unrecognized deferred income tax liability.

Cash paid, net of refunds, during 2010, 2009 and 2008 for income taxes was $52.7 million, $58.2 million and $56.7 million, respectively.

At December 31, 2010, the company has U.S. federal ($270.8 million), state and local ($235.2 million), and foreign ($244.0 million) tax loss carryforwards, the total tax effect of which is $750.0 million. These carryforwards will expire as follows (in millions): 2011, $17.9; 2012, $8.2; 2013, $13.3; 2014, $7.8; 2015, $29.1; and $673.7 thereafter. The company also has available tax credit carryforwards of approximately $643.6 million, which will expire as follows (in millions): 2011, $14.3; 2012, $67.1; 2013, $46.4; 2014, $23.2; 2015, $23.0; and $469.6 thereafter.

The tax effects of temporary differences and carryforwards that give rise to significant portions of deferred tax assets and liabilities at December 31, 2010 and 2009 were as follows:

December 31 (millions)	**2010**	2009
Deferred tax assets		
Tax loss carryforwards	**$ 750.0**	$ 683.1
Postretirement benefits	**529.4**	591.2
Foreign tax credit carryforwards	**479.4**	412.3
Capitalized research and development	**304.1**	353.5
Other tax credit carryforwards	**164.2**	176.2
Deferred revenue	**107.1**	93.5
Depreciation	**60.2**	65.8
Employee benefits and compensation	**53.5**	70.5
Purchased capitalized software	**45.8**	49.1
Debt related	**38.2**	41.4
Capitalized intellectual property rights	**28.4**	57.1
Warranty, bad debts and other reserves	**23.5**	46.4
Capitalized costs	**18.2**	23.6
Restructuring	**5.7**	11.3
Other	**34.1**	39.1
	2,641.8	2,714.1
Valuation allowance	**(2,426.4)**	(2,483.1)
Total deferred tax assets	**$ 215.4**	$ 231.0
Deferred tax liabilities		
Tax basis investment impairment	**$ –**	$ 20.3
Other	**30.0**	37.7
Total deferred tax liabilities	**$ 30.0**	$ 58.0
Net deferred tax assets	**$ 185.4**	$ 173.0

The company has $185.4 million of net deferred tax assets. Failure to achieve forecasted taxable income might affect the ultimate realization of such assets. Factors that may affect the company's ability to achieve sufficient forecasted taxable income include, but are not limited to, the following: increased competition, a decline in sales or margins, loss of market share, the impact of the economic environment, delays in product availability and technological obsolescence.

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

Year ended December 31 (millions)	2010	2009
Balance at January 1	$ 4.0	$ 8.8
Additions based on tax positions related to the current year	13.9	–
Additions for tax positions of prior years	2.3	.6
Reductions for tax positions of prior years	(.2)	(1.4)
Reductions as a result of a lapse of applicable statute of limitations	(.1)	–
Settlements	(.4)	(4.0)
Balance at December 31	$19.5	$ 4.0

The company recognizes penalties and interest accrued related to income tax liabilities in the provision for income taxes in its consolidated statements of income. At December 31, 2010 and 2009, the company had an accrual of $.9 million and $.1 million, respectively, for the payment of penalties and interest.

At December 31, 2010, the company had a liability for unrecognized tax benefits of $19.5 million, all of which, if recognized, would affect the company's effective tax rate. Within the next 12 months, the company believes that it is reasonably possible that the amount of unrecognized tax benefits may significantly change; however, various events could cause this belief to change in the future.

The company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various states and foreign jurisdictions. The company has concluded a U.S. federal income tax audit of the years 2000-2003 with no material impact. Several U.S. state and foreign income tax audits are in process. There are currently no income tax audits in process in either Brazil or the United Kingdom, which are the most significant jurisdictions outside the U.S. For Brazil, the audit period through 2004 is closed and for the United Kingdom, the audit period through 2007 is closed. All of the various ongoing income tax audits throughout the world are not expected to have a material impact on the company's financial position.

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

As a result of the ownership change, utilization of the company's Tax Attributes will be subject to an estimated overall annual limitation determined in part by multiplying the total aggregate market value of the company's common stock immediately preceding the ownership change by the applicable long-term tax-exempt rate (which is 4.10% for January 2011), possibly subject to increase based on the built-in gain if any, in the company's assets at the time of the ownership change. Any unused annual limitation may be carried over to later years. Future U.S. taxable income may not be fully offset by existing Tax Attributes, if such income exceeds the company's annual limitation. However, based on presently available information and the existence of tax planning strategies, currently the company does not expect to incur a cash tax liability in the near term. The company maintains a full valuation allowance against the realization of all U.S. deferred tax assets as well as certain foreign deferred tax assets in excess of deferred tax liabilities.

8. Properties

Properties comprise the following:

December 31 (millions)	2010	2009
Land	$ 3.8	$ 3.9
Buildings	77.1	69.9
Machinery and office equipment	839.7	882.8
Internal-use software	303.9	294.9
Rental equipment	114.5	114.3
Total properties	$1,339.0	$1,365.8

9. Debt

Long-term debt is comprised of the following:

December 31 (millions)	2010	2009
12 3/4% senior secured notes due 2014	**$ 375.0**	$ 385.0
14 1/4% senior secured notes due 2015	**246.6**	246.6
12 1/2% senior notes due 2016	**150.6**	150.6
8% senior notes due 2012	**68.0**	68.0
6 7/8% senior notes	**–**	64.9
8 1/2% senior notes	**–**	16.0
Other, net of unamortized discounts	**(16.2)**	(19.4)
Total	**824.0**	911.7
Less – current maturities	**.8**	65.8
Total long-term debt	**$ 823.2**	$ 845.9

Total long-term debt maturities in 2011, 2012, 2013, 2014 and 2015 are $.8 million, $ 68.8 million, $.2 million, $375.0 million and $246.6 million, respectively.

Cash paid during 2010, 2009 and 2008 for interest was $111.9 million, $97.6 million and $86.9 million, respectively. Capitalized interest expense during 2010, 2009 and 2008 was $9.1 million, $7.5 million and $9.0 million, respectively.

On July 31, 2009, the company completed offers to exchange its 6 7/8% senior notes due 2010 (the 2010 Notes), its 8% senior notes due 2012 (the 2012 Notes), its 8 1/2% senior notes due 2015 (the 2015 Notes) and its 12 1/2% senior notes due 2016 (the 2016 Notes) in private placements for new 12 3/4% senior secured notes due 2014 (the First Lien Notes), new 14 1/4% senior secured notes due 2015 (the Second Lien Notes and, together with First Lien Notes, the New Secured Notes), shares of the company's common stock and cash. On that date, the company issued $385.0 million aggregate principal amount of First Lien Notes, $246.6 million aggregate principal amount of Second Lien Notes and 5.2 million shares of common stock and paid $30.0 million in cash in exchange for $235.1 million aggregate principal amount of 2010 Notes, $332.0 million aggregate principal amount of 2012 Notes, $134.0 million aggregate principal amount of 2015 Notes, and $59.4 million aggregate principal amount of 2016 Notes. The New Secured Notes, which are not registered with the Securities and Exchange Commission, are guaranteed by Unisys Holding Corporation, a wholly owned Delaware corporation that directly or indirectly holds the shares of substantially all of the company's foreign subsidiaries, and by certain of the company's other current and future U.S. subsidiaries. The First Lien Notes and Second Lien Notes are secured by first-priority liens and second-priority liens, respectively (in each case, subject to permitted prior liens) on substantially all of the company's assets, except (i) accounts receivable that are subject to one or more receivables facilities, (ii) real estate located outside the U.S., (iii) cash or cash equivalents securing reimbursement obligations under letters of credit or surety bonds and (iv) certain other excluded assets. In 2009, the company recognized a net gain of $.5 million on the exchange in "Other income (expense), net".

In December 2010, the company called all $14.2 million outstanding of its 8 1/2% senior notes due October 15, 2015 and recognized a charge of $.7 million in "Other income (expense), net".

The company and certain international subsidiaries have access to uncommitted lines of credit from various banks.

At December 31, 2010, 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.

The company's principal sources of liquidity are cash on hand, cash from operations and its $150 million U.S. trade accounts receivable securitization facility, which is discussed in note 6. The company's anticipated future cash expenditures include anticipated contributions to its defined benefit pension plans. The company believes that it has adequate sources of liquidity to meet its expected 2011 cash requirements.

10. Other liabilities

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

December 31 (millions)	**2010**	2009
Payrolls and commissions	**$143.1**	$168.3
Accrued vacations	**75.0**	85.3
Taxes other than income taxes	**59.2**	50.8
Income taxes	**53.9**	13.0
Accrued interest	**30.9**	32.9
Postretirement	**28.8**	29.6
Liabilities of business held for sale	**–**	19.8
Other	**128.0**	166.3
Total other accrued liabilities	**$518.9**	$566.0

11. Rental expense and commitments

Rental expense, less income from subleases, for 2010, 2009 and 2008 was $100.4 million, $104.5 million and $140.8 million, respectively. Income from subleases, for 2010, 2009 and 2008 was $11.2 million, $14.6 million and $16.4 million, respectively.

Minimum net rental commitments under noncancelable operating leases, including idle leases, outstanding at December 31, 2010, substantially all of which relate to real properties, were as follows: 2011, $70.5 million; 2012, $63.3 million; 2013, $50.0 million; 2014, $41.3 million; 2015, $32.4 million; and $87.3 million thereafter. Such rental commitments have been reduced by minimum sublease rentals of $36.7 million, due in the future under noncancelable subleases. Included in the net rental commitments at December 31, 2010 is $13.6 million related to idle leases.

At December 31, 2010, the company had outstanding standby letters of credit and surety bonds of approximately $268 million related to performance and payment guarantees. On the basis of experience with these arrangements, the company believes that any obligations that may arise will not be material. In addition, at December 31, 2010, the company had deposits and collateral of approximately $108 million in other long-term assets, principally related to collateralized letters of credit, and to tax and labor contingencies in Brazil.

12. Financial instruments and concentration of credit risks

Due to its foreign operations, the company is exposed to the effects of foreign currency exchange rate fluctuations on the U.S. dollar, principally related to intercompany account balances. The company uses derivative financial instruments to reduce its exposure to market risks from changes in foreign currency exchange rates on such balances. The company enters into foreign exchange forward contracts, generally having maturities of one month, which have not been designated as hedging instruments. At December 31, 2010 and 2009, the notional amount of these contracts was $26.2 million and $38.0 million, respectively and the fair value of such contracts was a net gain of $.5 million and a net loss of $.1 million, respectively, of which a gain of $.5 million and $6.4 million, respectively, has been recognized in “Prepaid expenses and other current assets” and a loss of zero and $6.5 million, respectively, has been recognized in “Other accrued liabilities”. Changes in the fair value of these instruments was a gain of $.6 million and a loss of $.3 million, respectively, for years ended December 31, 2010 and 2009, which has been recognized in earnings in “Other income (expense), net” in the company’s consolidated statement of income. The fair value of these forward contracts is based on quoted prices for similar but not identical financial instruments; as such, the inputs are considered Level 2 inputs.

Financial instruments also include temporary cash investments and customer accounts receivable. Temporary investments are placed with creditworthy financial institutions, primarily in money market funds, time deposits and certificate of deposits which may be withdrawn at any time at the discretion of the company without penalty. At December 31, 2010 and 2009, the company’s cash equivalents principally have maturities of less than one month or can be withdrawn at any time at the discretion of the company without penalty. Due to the short maturities of these instruments, they are carried on the consolidated balance sheets at cost plus accrued interest, which approximates market value. Realized gains or losses during 2010, 2009 and 2008, as well as unrealized gains or losses at December 31, 2010 and 2009, were immaterial.

Receivables are due from a large number of customers that are dispersed worldwide across many industries. At December 31, 2010 and 2009, the company had no significant concentrations of credit risk with any one customer. At December 31, 2010 and 2009, the company had approximately $156 million and $176 million, respectively, of receivables due from various U.S. federal governmental agencies. At December 31, 2010 and 2009, the carrying amount of cash and cash equivalents and notes payable approximated fair value; and the carrying amount of long-term debt was less than the fair value, which is based on market prices (Level 2 inputs), of such debt by approximately $140 million and $100 million, respectively.

13. Foreign currency translation

Due to cumulative inflation of approximately 100 percent or more over the last 3-year period, the company's Venezuelan subsidiary has applied highly inflationary accounting beginning January 1, 2010. For those international subsidiaries operating in highly inflationary economies, the U.S. dollar is the functional currency, and as such, nonmonetary assets and liabilities are translated at historical exchange rates, and monetary assets and liabilities are translated at current exchange rates. Exchange gains and losses arising from translation are included in other income (expense), net. Effective January 11, 2010, the Venezuelan government devalued the Bolivar Fuerte by 50 percent by resetting the official exchange rate from 2.15 to the U.S. dollar to 4.30 to the U.S. dollar. As a result, the company recorded a foreign exchange loss in the first quarter of 2010 of approximately $20 million. The company has used and continues to use the official exchange rate for translation purposes. At December 31, 2010, the company's operations in Venezuela had net monetary assets denominated in local currency of approximately $20 million.

During the years ended December 31, 2010, 2009 and 2008, the company recognized foreign exchange transaction (losses) in "Other income (expense), net" in its consolidated statements of income of $(43.4) million, $(12.5) million and $(2.9) million, respectively.

14. Litigation and contingencies

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

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

In 2002, the company and the Transportation Security Administration (TSA) entered into a competitively awarded contract providing for the establishment of secure information technology environments in airports. The Civil Division of the Department of Justice, working with the Inspector General's Office of the Department of Homeland Security, is reviewing issues relating to labor categorization and overtime on the TSA contract. The Civil Division is also reviewing issues relating to cyber intrusion protection under the TSA and follow-on contracts. The company is working cooperatively with TSA and the Civil Division. The company has commenced preliminary settlement discussions with these government agencies regarding labor categorization and overtime. The company cannot now predict the duration or outcome of these discussions.

The company has contracts with the General Services Administration (GSA), known as Multiple Award Schedule Contracts, under which various U.S. governmental agencies can purchase products and services from the company. Auditors from the GSA's Office of Inspector General have been reviewing the company's compliance with the disclosure and pricing provisions under two of these contracts, and whether the company has potentially overcharged the government under the contracts. Separately, the company has made voluntary disclosures about these matters to the responsible GSA contracting officers.

The company has been providing pricing and other information to the GSA auditors and is working cooperatively with them. One of these matters is now completed, with the company paying a de minimis amount to the GSA. The audit on the other contract is in its preliminary stages, and the company cannot predict the outcome at this time.

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 has filed its defense and counterclaim in the amount of approximately 18.5 million Euros. The company believes it has valid defenses to the claims and contends that the Belgian State's termination of the contract was unjustified.

In December 2007, Lufthansa AG sued Unisys Deutschland GmbH, a Unisys subsidiary (Unisys Germany), in the District Court of Frankfurt, Germany, for allegedly failing to perform properly its obligations during the initial phase of a 2004 software design and development contract relating to a Lufthansa customer loyalty program. Under the contract, either party was free to withdraw from the project at the conclusion of the initial design phase. Rather than withdraw, Lufthansa instead terminated the contract and failed to pay the balance owed to Unisys Germany for the initial phase. Lufthansa's lawsuit alleges that Unisys Germany breached the contract by failing to deliver a proper design for the new system and seeks approximately 21.4 million Euros in damages. The company believes it has valid defenses and has filed its defense and a counterclaim in the amount of approximately 1.5 million Euros. The litigation is proceeding.

Notwithstanding that the ultimate results of the lawsuits, claims, investigations and proceedings that have been brought or asserted against the company are not currently determinable, the company believes that at December 31, 2010, it has adequate provisions for any such matters.

15. Segment information

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

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

Also included in the Technology segment's sales and operating profit are sales of hardware and software sold to the Services segment for internal use in Services engagements. The amount of such profit included in operating income of the Technology segment for the years ended December 31, 2010, 2009 and 2008, was $7.2 million, $14.8 million and $38.5 million, respectively. The profit on these transactions is eliminated in Corporate.

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

No single customer accounts for more than 10% of revenue. Revenue from various agencies of the U.S. Government, which is reported in both business segments, was approximately $842 million, $927 million and $864 million in 2010, 2009 and 2008, respectively.

Corporate assets are principally cash and cash equivalents, prepaid postretirement assets and deferred income taxes. The expense or income related to corporate assets is allocated to the business segments. In 2009 and 2008, corporate assets include an offset for interests in accounts receivable that have been recorded as sales, because such receivables are included in the assets of the business segments.

Presented below is a reconciliation of segment operating income to consolidated income (loss) from continuing operations before income taxes:

Year ended December 31 (millions)	**2010**	2009	2008
Total segment operating income	**$ 376.7**	$ 325.7	$ 133.2
Interest expense	**(101.8)**	(95.2)	(85.1)
Other income (expense), net	**(51.0)**	(16.6)	(14.6)
Cost reduction charges	**–**	–	(103.1)
Corporate and eliminations	**(1.0)**	4.3	(28.0)
Total income (loss) from continuing operations before income taxes	**$ 222.9**	$ 218.2	$ (97.6)

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

Year ended December 31 (millions)	**2010**	2009	2008
Services			
Systems integration and consulting	**$1,223.1**	$1,360.0	$1,490.5
Outsourcing	**1,531.3**	1,592.2	1,728.3
Infrastructure services	**472.4**	563.9	735.1
Core maintenance	**230.6**	308.8	371.4
	3,457.4	3,824.9	4,325.3
Technology			
Enterprise-class servers	**462.5**	464.6	515.8
Other technology	**99.7**	96.2	113.8
	562.2	560.8	629.6
Total	**$4,019.6**	$4,385.7	$4,954.9

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

December 31 (millions)	**2010**	2009	2008
Total segment assets	**$1,778.2**	$2,001.2	$2,176.4
Cash and cash equivalents	**828.3**	647.6	544.0
Deferred income taxes	**220.3**	200.5	107.1
Prepaid postretirement assets	**31.2**	–	20.7
Elimination for sale of receivables	**–**	(100.0)	(141.0)
Other corporate assets	**162.9**	207.6	116.9
Total assets	**$3,020.9**	$2,956.9	$2,824.1

A summary of the company's operations by business segment for 2010, 2009 and 2008 is presented below:

(millions)	Total	Corporate	Services	Technology
2010				
Customer revenue	$4,019.6		$ 3,457.4	$ 562.2
Intersegment		$ (116.6)	5.9	110.7
Total revenue	$4,019.6	$ (116.6)	$ 3,463.3	$ 672.9
Operating income	$ 375.7	$ (1.0)	$ 231.3	$ 145.4
Depreciation and amortization	250.6		191.4	59.2
Total assets	3,020.9	1,242.7	1,359.9	418.3
Capital expenditures	203.1	12.0	125.3	65.8
2009				
Customer revenue	$4,385.7		$ 3,824.9	$ 560.8
Intersegment		$ (170.8)	6.9	163.9
Total revenue	$4,385.7	$ (170.8)	$ 3,831.8	$ 724.7
Operating income	$ 330.0	$ 4.3	$ 235.7	$ 90.0
Depreciation and amortization	352.5		275.1	77.4
Total assets	2,956.9	955.7	1,529.2	472.0
Capital expenditures	201.3	1.5	141.8	58.0
2008				
Customer revenue	$4,954.9		$ 4,325.3	$ 629.6
Intersegment		$ (232.0)	13.9	218.1
Total revenue	$4,954.9	$ (232.0)	$ 4,339.2	$ 847.7
Operating income	$ 2.1	$ (131.1)	$ 98.7	$ 34.5
Depreciation and amortization	418.0		291.7	126.3
Total assets	2,824.1	647.7	1,696.9	479.5
Capital expenditures	294.5	12.9	201.7	79.9

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

Year ended December 31 (millions)	**2010**	2009	2008
Revenue			
United States	**$1,733.1**	$2,005.4	$2,139.6
United Kingdom	**426.2**	469.2	573.3
Other foreign	**1,860.3**	1,911.1	2,242.0
Total	**$4,019.6**	$4,385.7	$4,954.9
Properties, net			
United States	**$ 142.8**	$ 135.4	$ 177.5
United Kingdom	**23.1**	27.0	26.4
Other foreign	**53.8**	63.3	69.5
Total	**$ 219.7**	$ 225.7	$ 273.4
Outsourcing assets, net			
United States	**$ 69.6**	$ 72.3	$ 120.6
United Kingdom	**31.9**	71.5	107.9
Other foreign	**60.8**	69.9	66.1
Total	**$ 162.3**	$ 213.7	$ 294.6

16. Employee plans

Stock plans Under stockholder approved stock-based plans, stock options, stock appreciation rights, restricted stock and restricted stock units may be granted to officers, directors and other key employees. At December 31, 2010, 5.5 million shares of unissued common stock of the company were available for granting under these plans.

As of December 31, 2010, the company has granted non-qualified stock options and restricted stock units under these plans. The company recognizes compensation cost net of a forfeiture rate in selling, general and administrative expenses, and recognizes the compensation cost for only those awards expected to vest. The company estimates the forfeiture rate based on its historical experience and its expectations about future forfeitures.

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

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

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

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

Year Ended December 31	**2010**	2009	2008
Weighted-average fair value of grant	**$ 17.83**	$ 2.82	$ 8.52
Risk-free interest rate	**1.74%**	1.57%	3.63%
Expected volatility	**72.20%**	58.28%	45.28%
Expected life of options in years	**3.63**	3.77	3.67
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 1.5 shares depending on the degree to which the performance goals are met. Compensation expense resulting from these awards is recognized as expense ratably for each installment from the date of grant until the date the restrictions lapse and is based on the fair market value at the date of grant and the probability of achievement of the specific performance-related goals.

During the year ended December 31, 2010, 2009 and 2008, the company recognized $9.4 million, $.7 million and $1.1 million of share-based compensation expense, which is comprised of $3.9 million, $(1.4) million and $.8 million of restricted stock unit (income) expense and $5.5 million, $2.1 million and $.3 million of stock option expense, respectively. In 2009 and 2008, the company reversed $2.4 million and $13.2 million, respectively of previously-accrued compensation expense related to performance-based restricted stock units due to a change in the assessment of the achievability of the performance goals. In addition, during 2009, the company reversed $2.6 million of previously-accrued share-based compensation principally related to employees terminated in prior periods.

A summary of stock option activity for the year ended December 31, 2010 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, 2009	3,981	$ 109.30		
Granted	623	34.62		
Exercised	(216)	6.50		
Forfeited and expired	(1,263)	149.00		
Outstanding at December 31, 2010	3,125	85.78	2.19	$ 16.2
Expected to vest at December 31, 2010	1,033	22.01	3.63	$ 8.9
Exercisable at December 31, 2010	2,063	118.61	1.45	$ 7.0

The aggregate intrinsic value represents the total pretax value of the difference between the company's closing stock price on the last trading day of the period and the exercise price of the options, multiplied by the number of in-the-money stock options that would have been received by the option holders had all option holders exercised their options on December 31, 2010. The intrinsic value of the company's stock options changes based on the closing price of the company's stock. The total intrinsic value of options exercised for the years ended December 31, 2010 and 2009 was $5.9 million and zero, respectively. As of December 31, 2010, $6.2 million of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of 2.0 years.

A summary of restricted stock unit activity for the year ended December 31, 2010 follows (shares in thousands):

	Restricted Stock Units	Weighted-Average Grant-Date Fair Value
Outstanding at December 31, 2009	561	$ 40.42
Granted	225	34.39
Vested	(161)	26.07
Forfeited and expired	(224)	62.68
Outstanding at December 31, 2010	401	29.10

The fair value of restricted stock units is determined based on the trading price of the company's common shares on the date of grant. The aggregate weighted-average grant-date fair value of restricted stock units granted during the years ended December 31, 2010 and 2009 was $7.7 million and $1.1 million, respectively. As of December 31, 2010, there was $5.6 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 2.0 years. The aggregate weighted-average grant-date fair value of restricted share units vested during the years ended December 31, 2010 and 2009 was $4.2 million and $3.3 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 years ended December 31, 2010 and 2009 was $1.4 million and zero, respectively. During 2010 and 2009, the company did not recognize any tax benefits from the exercise of stock options or upon issuance of stock upon lapse of restrictions on restricted stock units because of its tax position. Any such tax benefits resulting from tax deductions in excess of the compensation costs recognized are classified as financing cash flows.

Defined contribution and compensation plans U.S. employees are eligible to participate in an employee savings plan. Under this plan, employees may contribute a percentage of their pay for investment in various investment alternatives. Effective January 1, 2011, the company reinstated a company match to the U.S. employee savings plan, which had been suspended effective January 1, 2009. The company will match 50 percent of the first 6 percent of eligible pay contributed by participants to the plan on a before-tax basis (subject to IRS limits). The company expects to fund the match with the company's common stock. The charge to income related to the company match for the years ended December 31, 2010, 2009 and 2008, was zero, zero and $47.5 million, respectively.

The company has defined contribution plans in certain locations outside the United States. The charge to income related to these plans was $28.7 million, $26.4 million and $25.0 million, for the years ended December 31, 2010, 2009 and 2008, respectively. For plans outside the United States, company contributions are made in cash.

The company has non-qualified compensation plans, which allow certain highly compensated employees and directors to defer the receipt of a portion of their salary, bonus and fees. Participants can earn a return on their deferred balance that is based on hypothetical investments in various investment vehicles. Changes in the market value of these investments are reflected as an adjustment to the liability with an offset to expense. As of December 31, 2010 and 2009, the liability to the participants of these plans was $12.5 million and $12.7 million, respectively. These amounts reflect the accumulated participant deferrals and earnings thereon as of that date. The company makes no contributions to the deferred compensation plans and remains contingently liable to the participants.

Retirement benefits In 2006, the company adopted changes to its U.S. defined benefit pension plans effective December 31, 2006. The changes included ending the accrual of future benefits in the company’s defined benefit pension plans for employees effective December 31, 2006. No new entrants to the plans are allowed after that date. In 2008, the company adopted changes to certain of its U.K. defined benefit pension plans whereby effective June 30, 2008 all future accruals of benefits under the plans ceased.

Retirement plans' funded status and amounts recognized in the company's consolidated balance sheets at December 31, 2010 and 2009, follow:

	U.S. Plans		International Plans	
December 31 (millions)	**2010**	2009	**2010**	2009
Change in projected benefit obligation				
Benefit obligation at beginning of year	**$4,707.6**	$4,450.3	**$2,523.5**	$1,810.9
Service cost	**–**	–	**14.5**	11.9
Interest cost	**276.4**	285.0	**119.7**	113.2
Plan participants' contributions	**–**	–	**3.9**	4.2
Plan amendments	**–**	–	**–**	(.4)
Actuarial loss (gain)	**221.4**	308.7	**(18.7)**	501.1
Benefits paid	**(342.8)**	(336.4)	**(92.8)**	(89.7)
Foreign currency translation adjustments	**–**	–	**(99.5)**	172.3
Benefit obligation at end of year	**$4,862.6**	$4,707.6	**$2,450.6**	$2,523.5
Change in plan assets				
Fair value of plan assets at beginning of year	**$3,740.6**	$3,296.7	**$1,985.4**	$1,632.9
Actual return on plan assets	**495.1**	773.2	**171.3**	219.9
Employer contribution	**7.0**	7.1	**74.5**	86.9
Plan participants' contributions	**–**	–	**3.9**	4.2
Benefits paid	**(342.8)**	(336.4)	**(92.8)**	(89.7)
Foreign currency translation adjustments	**–**	–	**(76.3)**	131.2
Fair value of plan assets at end of year	**$3,899.9**	$3,740.6	**$2,066.0**	$1,985.4
Funded status at end of year	**$ (962.7)**	$ (967.0)	**$ (384.6)**	$ (538.1)
Amounts recognized in the consolidated balance sheets consist of:				
Prepaid postretirement assets	**$ –**	$ –	**$ 30.4**	$ –
Other accrued liabilities	**(7.3)**	(7.4)	**(.2)**	–
Long-term postretirement liabilities	**(955.4)**	(959.6)	**(414.8)**	(538.1)
Total funded status	**$ (962.7)**	$ (967.0)	**$ (384.6)**	$ (538.1)
Accumulated other comprehensive loss, net of tax				
Net loss	**$2,275.1**	$2,238.1	**$ 584.0**	$ 677.2
Prior service cost (credit)	**$ 3.5**	$ 4.2	**$ (1.4)**	$ (1.4)
Accumulated benefit obligation	**$4,862.6**	$4,707.6	**$2,358.9**	$2,440.9

Information for defined benefit retirement plans with an accumulated benefit obligation in excess of plan assets at December 31, 2010 and 2009, follows:

December 31 (millions)	**2010**	2009
Accumulated benefit obligation	**$6,516.5**	$7,137.0
Fair value of plan assets	**5,180.5**	5,714.5

Information for defined benefit retirement plans with a projected benefit obligation in excess of plan assets at December 31, 2010 and 2009, follows:

December 31 (millions)	**2010**	2009
Projected benefit obligation	**$6,891.2**	$7,219.6
Fair value of plan assets	**5,513.4**	5,714.5

Net periodic pension (income) cost for 2010, 2009 and 2008 includes the following components:

	U.S. Plans			International Plans		
Year ended December 31 (millions)	**2010**	2009	2008	**2010**	2009	2008
Service cost	**$ –**	$ –	$ –	**$ 14.5**	$ 11.9	$ 22.9
Interest cost	**276.4**	285.0	283.9	**119.7**	113.2	130.9
Expected return on plan assets	**(365.0)**	(384.7)	(407.3)	**(129.5)**	(128.2)	(154.5)
Amortization of prior service cost	**.7**	.7	.7	**–**	–	.2
Recognized net actuarial loss	**54.3**	74.3	57.4	**26.0**	4.2	13.1
Settlement/curtailment loss	**–**	–	–	**–**	–	1.4
Net periodic pension (income) cost	**$ (33.6)**	$ (24.7)	$ (65.3)	**$ 30.7**	$ 1.1	$ 14.0

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

Discount rate	**6.11%**	6.75%	6.38%	**5.30%**	6.42%	5.86%
Rate of compensation increase	**N/A**	N/A	N/A	**3.04%**	2.88%	3.29%
Expected long-term rate of return on assets*	**8.75%**	8.75%	8.75%	**6.63%**	6.57%	7.28%

** For 2011, the company has assumed that the expected long-term rate of return on plan assets for its U.S. defined benefit pension plan will be 8.75%.*

Weighted-average assumptions used to determine benefit obligations at December 31 were as follows:

Discount rate	**5.68%**	6.11%	6.75%	**5.32%**	5.30%	6.42%
Rate of compensation increase	**N/A**	N/A	N/A	**2.93%**	3.04%	2.88%

The expected pretax amortization in 2011 of net periodic pension cost is as follows: net loss, $104.0 million; and prior service cost, $.6 million.

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

	U.S.		Int'l.	
Asset Category	Target	Range	Target	Range
Equity securities	68%	65-71%	42%	37-47%
Debt securities	26%	23-29%	55%	47-61%
Real estate	6%	3-9%	1%	0-3%
Cash	0%	0-5%	1%	0-3%
Other	0%	0%	1%	0-3%

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

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

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

In 2011, the company expects to make cash contributions of approximately $115 million to its worldwide defined benefit pension plans (principally international plans). In accordance with regulations governing contributions to U.S. defined benefit pension plans, the company is not required to make cash contributions to its U.S. qualified defined benefit pension plan in 2011.

As of December 31, 2010, the following benefit payments, which reflect expected future service where applicable, are expected to be paid from the defined benefit pension plans:

Year ending December 31 (millions)	U.S.	Int'l.
2011	$ 351.8	$ 92.6
2012	354.3	101.4
2013	356.0	109.3
2014	357.7	115.5
2015	358.9	119.8
2016 - 2020	1,802.2	710.0

Other postretirement benefits A reconciliation of the benefit obligation, fair value of the plan assets and the funded status of the postretirement benefit plan at December 31, 2010 and 2009, follows:

December 31 (millions)	**2010**	2009
Change in accumulated benefit obligation		
Benefit obligation at beginning of year	**$ 174.3**	$ 184.6
Service cost	**.4**	.1
Interest cost	**10.7**	11.5
Plan participants' contributions	**5.6**	6.1
Amendments	**1.5**	–
Actuarial loss (gain)	**3.9**	(.7)
Federal drug subsidy	**2.0**	2.1
Benefits paid	**(29.9)**	(29.4)
Benefit obligation at end of year	**$ 168.5**	$ 174.3
Change in plan assets		
Fair value of plan assets at beginning of year	**$ 9.1**	$ 9.7
Actual return on plan assets	**.3**	–
Employer contributions	**23.9**	22.7
Plan participants' contributions	**5.6**	6.1
Benefits paid	**(29.9)**	(29.4)
Fair value of plan assets at end of year	**$ 9.0**	$ 9.1
Funded status at end of year	**$ (159.5)**	$ (165.2)
Amounts recognized in the consolidated balance sheets consist of:		
Prepaid postretirement assets	**$ .8**	$ –
Other accrued liabilities	**(21.3)**	(22.2)
Long-term postretirement liabilities	**(139.0)**	(143.0)
Total funded status	**$ (159.5)**	$ (165.2)
Accumulated other comprehensive loss, net of tax		
Net loss	**$ 35.3**	$ 34.9
Prior service cost	**8.4**	8.3

Net periodic postretirement benefit cost for 2010, 2009 and 2008, follows:

Year ended December 31 (millions)	**2010**	2009	2008
Service cost	**$ .4**	$ .1	$ .5
Interest cost	**10.7**	11.5	12.5
Expected return on assets	**(.5)**	(.5)	(.5)
Amortization of prior service cost	**1.4**	1.5	1.9
Recognized net actuarial loss	**3.7**	2.9	3.9
Net periodic benefit cost	**$ 15.7**	$ 15.5	$ 18.3
Weighted-average assumptions used to determine net periodic postretirement benefit cost for the years ended December 31 were as follows:			
Discount rate	**6.62%**	7.02%	6.58%
Expected return on plan assets	**6.75%**	6.75%	6.75%
Weighted-average assumptions used to determine benefit obligation at December 31 were as follows:			
Discount rate	**6.42%**	6.62%	7.02%

The expected pretax amortization in 2011 of net periodic postretirement benefit cost is as follows: net loss, $3.9 million; and prior service cost, $1.8 million.

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

In 2011, the company expects to contribute approximately $22 million to its postretirement benefit plan.

Assumed health care cost trend rates at December 31	**2010**	2009
Health care cost trend rate assumed for next year	**8.1%**	7.9%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	**5.0%**	5.0%
Year that the rate reaches the ultimate trend rate	**2017**	2014

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

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on service and interest cost	$ .2	$ (.5)
Effect on postretirement benefit obligation	8.4	(2.7)

As of December 31, 2010, the following benefits are expected to be paid to or from the company's postretirement plan:

Year ending December 31 (millions)	Gross Medicare Part D Receipts	Gross Expected Payments
2011	$ 2.3	$ 26.8
2012	2.2	25.0
2013	2.1	24.5
2014	2.0	23.6
2015	1.8	23.1
2016 - 2020	3.7	65.3

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

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

Level 2 – These investments include the following:

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

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

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

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

Level 3 – These investments include the following:

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

Insurance Contracts – These investments are insurance contracts which are generally invested in corporate and government notes and bonds and mortgages. The insurance contracts are carried at book value and adjusted to fair value based on a market value adjustment (MVA) formula determined by the insurance provider. The MVA formula is based on unobservable inputs.

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

The following table sets forth by level, within the fair value hierarchy, the plans' assets (liabilities) at fair value at December 31, 2010.

	U.S. Plans				International Plans			
December 31, 2010 (millions)	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Pension plans								
Equity Securities								
Common Stocks	$ 1,949.2	$1,949.2			$ 122.2	$122.2		
Commingled Funds	621.1		$ 621.1		792.8		$ 792.8	
Debt Securities								
U.S. and U.K. Govt. Securities	126.2	126.2			97.7	97.7		
Other Fixed Income	791.6		791.6		308.8		308.8	
Insurance Contracts	70.3			$ 70.3	152.6			$152.6
Commingled Funds					440.8		440.8	
Real Estate								
Real Estate Investment Trusts	139.0	139.0			.5	.5		
Real Estate	32.1			32.1	28.1			28.1
Other								
Derivatives	(5.8)		(5.8)		(2.5)		(2.5)	
Private Equity	56.9			56.9				
Commingled Funds	84.1		84.1		60.6		51.4	9.2
Pooled Funds	145.9		145.9		1.3		1.3	
Cash	.1	.1			58.5	58.5		
Receivables	94.2	94.2			4.6	4.6		
Payables	(205.0)	(205.0)						
Total	$ 3,899.9	$2,103.7	$1,636.9	$159.3	$ 2,066.0	$283.5	$1,592.6	$189.9
Other postretirement plans								
Insurance Contracts	$ 7.4			$ 7.4				
Exchange Traded Fund – Bond	1.3	$ 1.3						
Pooled Funds	.3		$ .3					
Total	$ 9.0	$ 1.3	$ .3	$ 7.4				

The following table sets forth by level, within the fair value hierarchy, the plans' assets (liabilities) at fair value at December 31, 2009.

	U.S. Plans				International Plans			
December 31, 2009 (millions)	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Pension plans								
Equity Securities								
Common Stocks	$ 1,883.1	$1,883.1			$ 126.4	$126.4		
Commingled Funds	635.9		$ 635.9		707.6		$ 707.6	
Debt Securities								
U.S. and U.K. Govt. Securities	65.9	65.9			95.9	95.9		
Other Fixed Income	746.1		746.1		161.6		161.6	
Insurance Contracts	64.8			$ 64.8	167.4			$167.4
Commingled Funds					560.2		560.2	
Real Estate								
Real Estate Investment Trusts	75.1	75.1			4.4	.3	4.1	
Real Estate	54.2			54.2	27.3			27.3
Other								
Derivatives	12.3		11.8	.5	23.0		23.0	
Private Equity	69.4			69.4				
Commingled Funds	66.8		66.8		69.5		46.9	22.6
Pooled Funds	133.7		133.7		1.7		1.7	
Cash	1.0	1.0			40.4	40.4		
Receivables	27.2	27.2						
Payables	(94.9)	(94.9)						
Total	$ 3,740.6	$1,957.4	$1,594.3	$188.9	$ 1,985.4	$263.0	$1,505.1	$217.3
Other postretirement plans								
Insurance Contracts	$ 7.5			$ 7.5				
Pooled Funds	1.6		$ 1.6					
Total	$ 9.1		$ 1.6	$ 7.5				

The following table sets forth a summary of changes in the fair value of the plans' Level 3 assets for the year ended December 31, 2010.

(millions)	January 1, 2010	Realized gains (losses)	Purchases or acquisitions	Sales or dispositions	Currency and unrealized gains (losses) relating to instruments still held at December 31, 2010	December 31, 2010
U.S. plans						
Pension plan						
Real Estate	$ 54.2	$ 3.8		$ (21.9)	$ (4.0)	$ 32.1
Private Equity	69.4	6.8	$ .8	(20.7)	.6	56.9
Insurance Contracts	64.8	–	–	–	5.5	70.3
Derivatives	.5	–	–	(.5)	–	–
Total	$ 188.9	$ 10.6	$ .8	$ (43.1)	$ 2.1	$ 159.3
Other postretirement plans						
Insurance Contracts	$ 7.5	$ .2	$ .4	$ (.7)		$ 7.4
International pension plans						
Insurance Contracts	$ 167.4		$ 5.8	$ (12.6)	$ (8.0)	$ 152.6
Real Estate	27.3		–	–	.8	28.1
Commingled Funds	22.6	$ .8	1.0	(15.1)	(.1)	9.2
Total	$ 217.3	$ .8	$ 6.8	$ (27.7)	$ (7.3)	$ 189.9

The following table sets forth a summary of changes in the fair value of the plans' Level 3 assets for the year ended December 31, 2009.

(millions)	January 1, 2009	Realized gains (losses)	Purchases, sales, issuances and settlements, net,	Currency and unrealized gains (losses) relating to instruments still held at December 31, 2009	December 31, 2009
U.S. plans					
Pension plan					
Real Estate	$ 89.4	$ 1.5	$ (4.0)	$ (32.7)	$ 54.2
Private Equity	84.5	(11.6)	(4.0)	.5	69.4
Insurance Contracts	50.1	(.6)	6.1	9.2	64.8
Other Fixed Income	.6	.9	(1.5)		–
Derivatives	–		.5		.5
Total	$ 224.6	$ (9.8)	$ (2.9)	$ (23.0)	$ 188.9
Other postretirement plans					
Insurance Contracts	$ 6.8	$ (.1)	$ .8		$ 7.5
International pension plans					
Insurance Contracts	$ 159.8	$ 7.5	$ (5.0)	$ 5.1	$ 167.4
Real Estate	28.7	(4.4)	2.1	.9	27.3
Commingled Funds	21.6	.3		.7	22.6
Total	$ 210.1	$ 3.4	$ (2.9)	$ 6.7	$ 217.3

17. Stockholders' equity

The company has 72 million authorized shares of common stock, par value $.01 per share, and 40 million shares of authorized preferred stock, par value $1 per share, issuable in series.

At December 31, 2010, 10.2 million shares of unissued common stock of the company were reserved for stock-based incentive plans.

Comprehensive income (loss) for the three years ended December 31, 2010, includes the following components:

Year ended December 31 (millions)	**2010**	2009	2008
Consolidated net income (loss)	**$241.3**	$ 193.0	$ (117.7)
Other comprehensive income (loss)			
Foreign currency translation adjustments	**31.9**	78.1	(121.0)
Foreign currency translation reclassification adjustment	**(7.7)**	–	–
Postretirement adjustments, net of tax of $22.1, $(94.0) and $(8.8)	**62.7**	(212.7)	(1,627.4)
Total other comprehensive income (loss)	**86.9**	(134.6)	(1,748.4)
Consolidated comprehensive income (loss)	**328.2**	58.4	(1,866.1)
Comprehensive income (loss) attributable to noncontrolling interests	**6.9**	(22.0)	5.7
Comprehensive income (loss) attributable to Unisys Corporation	**$321.3**	$ 80.4	$(1,871.8)

Comprehensive income (loss) attributable to Unisys Corporation for 2009 and 2008 has been corrected in 2010 to exclude amounts attributable to noncontrolling interests.

Accumulated other comprehensive income (loss) as of December 31, 2010, 2009 and 2008, is as follows:

(millions)	Total	Translation Adjustments	Postretirement Plans
Balance at December 31, 2007	$(1,162.9)	$ (595.3)	$ (567.6)
Change during period	(1,741.7)	(106.2)	(1,635.5)
Balance at December 31, 2008	(2,904.6)	(701.5)	(2,203.1)
Change during period	(108.9)	71.6	(180.5)
Balance at December 31, 2009	(3,013.5)	(629.9)	(2,383.6)
Change during period	85.2	25.7	59.5
Balance at December 31, 2010	$(2,928.3)	$ (604.2)	$ (2,324.1)

Report of Management on the Financial Statements

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

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

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

J. Edward Coleman	Janet Brutschea Haugen
J. Edward Coleman Chairman of the Board and Chief Executive Officer	Janet Brutschea Haugen Senior Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Unisys Corporation:

We have audited the accompanying consolidated balance sheets of Unisys Corporation and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, stockholders' equity (deficit) and cash flows for each of the years in the three-year period ended December 31, 2010. We also have audited Unisys Corporation's internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Unisys Corporation's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

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

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

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Unisys Corporation and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles. Also in our opinion, Unisys Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG LLP
Philadelphia, Pennsylvania
February 22, 2011

Report of Management on Internal Control Over Financial Reporting

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

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

Management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, we concluded that the company maintained effective internal control over financial reporting as of December 31, 2010, based on the specified criteria.

KPMG LLP, an independent registered public accounting firm, has audited the company's internal control over financial reporting as of December 31, 2010, as stated in their report that appears on the preceding page.

J. Edward Coleman

J. Edward Coleman
Chairman of the Board and
Chief Executive Officer

Janet Brutschea Haugen

Janet Brutschea Haugen
Senior Vice President and
Chief Financial Officer

Unisys Corporation

Supplemental Financial Data (Unaudited)

Quarterly financial information

(millions, except per share data)		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
2010						
Revenue		$ 977.4	$ 1,037.0	$ 960.6	$ 1,044.6	$ 4,019.6
Gross profit		235.2	288.0	237.4	311.1	1,071.7
Income (loss) from continuing operations before income taxes		(4.9)	73.7	50.9	103.2	222.9
Income from discontinued operations		5.7	61.0	6.5	4.0	77.2
Net income (loss) attributable to Unisys Corporation		(11.6)	120.2	28.3	99.2	236.1
Earnings (loss) per share attributable to Unisys Corporation						
Basic	– continuing operations	(.40)	1.39	.51	2.24	3.74
	– discontinued operations	.13	1.43	.15	.09	1.81
	– Total	(.27)	2.82	.66	2.33	5.55
Diluted	– continuing operations	(.40)	1.36	.50	2.20	3.67
	– discontinued operations	.13	1.41	.15	.09	1.78
	– Total	(.27)	2.77	.65	2.29	5.45
Market price per share	– high	40.40	39.23	28.89	31.70	40.40
	– low	28.68	18.43	17.04	21.32	17.04
2009						
Revenue		$ 1,043.8	$ 1,076.9	$ 1,106.4	$ 1,158.6	$ 4,385.7
Gross profit		213.2	261.9	297.8	340.1	1,113.0
Income (loss) from continuing operations before income taxes		(13.3)	50.7	82.8	98.0	218.2
Income from discontinued operations		4.1	3.5	8.7	.8	17.1
Net income (loss) attributable to Unisys Corporation		(24.4)	38.1	61.1	114.5	189.3
Earnings (loss) per share attributable to Unisys Corporation						
Basic	– continuing operations	(.77)	.94	1.30	2.69	4.38
	– discontinued operations	.11	.09	.21	.02	.44
	– Total	(.66)	1.03	1.51	2.71	4.82
Diluted	– continuing operations	(.77)	.93	1.27	2.62	4.32
	– discontinued operations	.11	.09	.21	.02	.43
	– Total	(.66)	1.02	1.48	2.64	4.75
Market price per share	– high	13.70	16.40	31.70	40.05	40.05
	– low	2.80	5.00	14.10	23.92	2.80

The individual quarterly per-share amounts may not total to the per-share amount for the full year because of accounting rules governing the computation of earnings per share.
Market prices per share are as quoted on the New York Stock Exchange composite listing.

Five-year summary of selected financial data

(dollars in millions, except per share data)	**2010**	2009	2008[1]	2007[1]	2006[1]
Results of operations					
Revenue	**$4,019.6**	$ 4,385.7	$ 4,954.9	$5,372.7	$5,492.2
Operating income (loss)	**375.7**	330.0	2.1	67.4	(314.9)
Income (loss) from continuing operations before income taxes	**222.9**	218.2	(97.6)	14.8	(228.9)
Net (income) loss attributable to noncontrolling interests	**(5.2)**	(3.7)	(12.4)	(25.8)	(8.7)
Net income (loss) attributable to Unisys Corporation	**236.1**	189.3	(130.1)	(79.1)	(278.7)
Earnings (loss) per share from continuing operations					
Basic	**3.74**	4.38	(4.20)	(2.50)	(7.73)
Diluted	**3.67**	4.32	(4.20)	(2.50)	(7.73)
Financial position					
Total assets	**$3,020.9**	$ 2,956.9	$ 2,824.1	$4,137.1	$4,037.9
Long-term debt	**823.2**	845.9	1,059.1	1,058.3	1,049.1
Stockholders' equity (deficit)	**(933.8)**	(1,271.7)	(1,423.8)	404.1	(47.3)
Other data					
Capital additions of properties	**$ 64.1**	$ 45.9	$ 76.9	$ 77.5	$ 70.1
Capital additions of outsourcing assets	**83.2**	97.8	133.1	137.5	81.0
Investment in marketable software	**55.8**	57.6	84.5	94.0	105.4
Depreciation and amortization					
Properties	**75.8**	96.9	105.7	115.1	120.5
Outsourcing assets	**111.9**	151.0	162.6	143.8	135.1
Amortization of marketable software	**62.9**	104.6	149.7	121.6	132.9
Common shares outstanding (millions)	**42.6**	42.3	37.0	35.4	34.5
Stockholders of record (thousands)	**19.1**	19.9	20.6	20.7	22.9
Employees (thousands)	**22.9**	25.6	29.0	30.0	31.5

(1) Includes pretax cost-reduction and other charges of $103.1 million, $116.8 million and $330.1 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

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

Name of Company	State or Other Jurisdiction Under the Laws of Which Organized
Unisys Limited	United Kingdom
Unisys Funding Corporation I	Delaware
Intelligent Processing Solutions Limited	United Kingdom

Pursuant to Item 601(b)(21)(ii) of Regulation S-K, subsidiaries of the Company have been omitted which, considered in the aggregate as a single subsidiary, would not have constituted a significant subsidiary (as defined in Rule 1-02(w) of Regulation S-X) as of December 31, 2010.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Unisys Corporation:

We consent to the incorporation by reference in the Registration Statements (No. 333-51887, 333-73399, 333-87409, 333-40012, 333-56036, 333-103324, 333-107338, 333-114718, 333-145429, 333-155733, 333-156569, 333-171004, 333-171005) on Form S-8 and in the Registration Statements (No. 333-85650, 333-155735, 333-161905) on Form S-3 and in the Registration Statement (No. 333-74745) on Form S-4 of Unisys Corporation of our report dated February 22, 2011, with respect to the consolidated balance sheets of Unisys Corporation as of December 31, 2010 and 2009, and the related consolidated statements of income, stockholders' equity (deficit) and cash flows for each of the years in the three year period ended December 31, 2010, and the related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2010, which report appears or is incorporated by reference in the December 31, 2010 Annual Report on Form 10-K of Unisys Corporation.

/s/ KPMG LLP
Philadelphia, Pennsylvania
February 22, 2011

POWER OF ATTORNEY
Unisys Corporation
Annual Report on Form 10-K
for the year ended December 31, 2010

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below does hereby make, constitute and appoint J. EDWARD COLEMAN, JANET BRUTSCHEA HAUGEN and NANCY STRAUS SUNDHEIM, and each one of them severally, his true and lawful attorneys-in-fact and agents, for such person and in such person's name, place and stead, to sign the Unisys Corporation Annual Report on Form 10-K for the year ended December 31, 2010, and any and all amendments thereto and to file such Annual Report on Form 10-K and any and all amendments thereto with the Securities and Exchange Commission, and does hereby grant unto such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as said person might or could do in person, hereby ratifying and confirming all that such attorney-in-fact and agents and each of them may lawfully do or cause to be done by virtue hereof.

Dated: February 10, 2011

/s/ J. P. Bolduc
J. P. Bolduc
Director

/s/ J. Edward Coleman
J. Edward Coleman
Chairman and Chief
Executive Officer;
Director

/s/ James J. Duderstadt
James J. Duderstadt
Director

/s/ Henry C. Duques
Henry C. Duques
Lead Director

/s/ Matthew J. Espe
Matthew J. Espe
Director

/s/ Denise K. Fletcher
Denise K. Fletcher
Director

/s/ Leslie F. Kenne
Leslie F. Kenne
Director

/s/ Charles B. McQuade
Charles B. McQuade
Director

/s/ Paul E. Weaver
Paul E. Weaver
Director

Exhibit 31.1

CERTIFICATION

I, J. Edward Coleman, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: February 22, 2011

/s/ J. Edward Coleman

Name: J. Edward Coleman
Title: Chairman of the Board and
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Janet Brutschea Haugen, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: February 22, 2011

/s/ Janet Brutschea Haugen

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

Exhibit 32.1

CERTIFICATION OF PERIODIC REPORT

I, J. Edward Coleman, Chairman of the Board and Chief Executive Officer of Unisys Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2010 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

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

Dated: February 22, 2011

/s/ J. Edward Coleman
J. Edward Coleman
Chairman of the Board and
Chief Executive Officer

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

Exhibit 32.2

CERTIFICATION OF PERIODIC REPORT

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

(1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2010 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

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

Dated: February 22, 2011

/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.