ALCATEL LUCENT
Form 425
February 12, 2016
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PURSUANT TO RULE 425 UNDER THE SECURITIES ACT OF 1933

SUBJECT COMPANY: ALCATEL-LUCENT

FILE NO. 001-11130

February 12, 2016

SUPPLEMENT TO LISTING PROSPECTUS

This document is a supplement to the listing prospectus (the Listing Prospectus) of Nokia Oyj (Nokia or the Company), approved by the Finnish Financial Supervisory Authority on October 23, 2015. The journal number of the Finnish Financial Supervisory Authority s decision of approval for the Listing Prospectus is FIVA 85/02.05.04/2015, for the supplement dated November 16, 2015 FIVA 101/02.05.04/2015 and for the supplement dated February 2, 2016 FIVA 1/02.05.04/2016. The Finnish Financial Supervisory Authority has on February 12, 2016 approved this supplement with the journal number FIVA 9/02.05.04/2016. A certificate of approval of this supplement, with a copy of this supplement and a French language translation of the summary of the Listing Prospectus as amended through this supplement, will be, in accordance with the Prospectus Directive (2003/71/EC), notified to the French stock market authority (*Autorité des marchés financiers*, or AMF).

The definitions used in this supplement have the same meaning as in the Listing Prospectus, unless otherwise stated. This supplement constitutes a part of the Listing Prospectus and should be read together therewith.

This supplement is prepared due to the announcements and developments that have taken place after the approval of the Listing Prospectus on October 23, 2015, most important of which are listed hereunder, and that have not at the date of this supplement been supplemented to the Listing Prospectus.

On February 10, 2016, Nokia announced the results of the reopened offer period in the Exchange Offer.

On February 10, 2016, Nokia announced that USD 1.85 billion senior notes issued by Alcatel Lucent USA Inc. had been redeemed as part of Nokia s capital structure optimization program.

On February 11, 2016, Nokia and Alcatel Lucent published their respective unaudited results for the year ended December 31, 2015. In conjunction with its release, Nokia announced that, as of the first quarter 2016, Nokia expects to align its financial reporting under two areas: the Networks business and Nokia Technologies.

On February 11, 2016, Nokia announced that the Nokia Board of Directors had approved the Nokia Equity Program for 2016 (as defined below) and the issuance of shares held by Nokia.

Consequently, the information contained in the Listing Prospectus is updated in the manner set out in this supplement.

The unaudited interim report of Nokia for the year ended December 31, 2015, as well as Alcatel Lucent s unaudited consolidated financial statements at December 31, 2015 and related press release concerning Alcatel Lucent s results for the year ended December 31, 2015 (Alcatel Lucent Q4 Results Release) are hereby incorporated by reference into the Listing Prospectus. The section *Documents Incorporated by Reference* on pages 361 362 of the Listing Prospectus is updated accordingly.

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SUPPLEMENTS TO THE LISTING PROSPECTUS

Supplements to the cautionary statements

The Listing Prospectus, as supplemented from time to time, and in particular the section *Cautionary Statement Regarding Forward-Looking Statements* , contain forward-looking statements which should be read in conjunction with the other cautionary statements that are included elsewhere, including the section *Risk Factors* of the Listing Prospectus, Nokia Annual Report, Alcatel Lucent Annual Report, Nokia Interim Report, the unaudited interim report of Nokia for the nine months ended September 30, 2015, the unaudited interim report of Nokia for the year ended December 31, 2015, Alcatel Lucent Interim Report, Alcatel Lucent Q3 Interim Report, Alcatel Lucent Q4 Results Release and any other documents that Nokia or Alcatel Lucent have released through their respective stock exchanges. Any forward-looking statements made in this communication are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Nokia will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Nokia or Nokia s business or operations. Except as required by law, Nokia undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Shareholders and potential investors should note that all of the information concerning Alcatel Lucent presented in the Listing Prospectus, as supplemented from time to time, and in particular in Annex A, is solely based on publicly available information of Alcatel Lucent included in Alcatel Lucent Annual Report and the Alcatel Lucent Interim Report Alcatel Lucent has filed with the SEC, as well as Alcatel Lucent Q3 Interim Report and Alcatel Lucent Q4 Results Release. Nokia confirms that this information has been accurately reproduced and that as far as Nokia is aware and is able to ascertain from information published by Alcatel Lucent, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Supplements to the section *Summary*

Elements B.7 and B.9 of the summary is replaced in their entirety with the following information to reflect the respective financial information of Nokia and Alcatel Lucent for the year ended December 31, 2015. Element C.7 is also supplemented with new information. The amended information in the summary has been marked with an asterisk (*).

B.7	**Selected historical key financial information**	**Nokia** The following tables set forth selected consolidated financial information for Nokia. This information is qualified by reference to, and should be read in conjunction with, Nokia s consolidated financial statements and the notes thereto for the years ended December 31, 2014, 2013 and 2012 and the unaudited interim report of Nokia for the year ended December 31, 2015, all of which are incorporated by reference into this Listing Prospectus. The selected consolidated historical income statement and statement of cash flow data for the years ended December 31, 2014, 2013 and 2012 and the consolidated statement of financial position data as of December 31, 2014, 2013 and 2012 have been derived from Nokia s audited consolidated financial statements for the respective years, prepared in accordance with the International Financial Reporting Standards (IFRS). The selected consolidated historical income statement

and statement of cash flow data for the year ended December 31, 2015 and the consolidated statement of financial position as of December 31, 2015 have been derived from the unaudited interim report of Nokia for the year ended December 31, 2015, prepared in accordance with IFRS.*

In September 2013, Nokia announced the sale of substantially all of its Devices & Services Business to Microsoft. Subsequent to the approval for the sale received in the Extraordinary General Meeting in November 2013, Nokia Group has presented Devices & Services Business as discontinued operations. The sale was completed on April 25, 2014. In the consolidated income statement for the year 2013, the financial

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results of the Devices & Services Business were reported as discontinued operations separately from the continuing operations. The income statement information for the year 2012 were restated accordingly. As of January 1, 2013, Nokia adopted new revised IAS 19 Employee Benefits standard. As a result, the net pension liabilities and other comprehensive income were impacted mainly by the retrospectively applied elimination of the corridor approach and financial information for the year 2012 were adjusted accordingly. Thus, the restated information for the year 2012 presented in the following tables is unaudited.

On August 3, 2015, Nokia announced an agreement to sell its HERE digital mapping and location services business to a consortium of leading automotive companies, comprising AUDI AG, BMW Group and Daimler AG. The sale of HERE was completed on December 4, 2015. In the unaudited consolidated income statement for the financial year ended December 31, 2015, HERE has been reported as discontinued operations separately from the continuing operations. The income statement information for the year 2014 were restated accordingly. Thus, the restated consolidated income statement information for the year 2014 presented in the following table is unaudited. HERE has been reported as part of Nokia s continuing operations in the consolidated financial information for the financial years ended December 31, 2013 and 2012.*

CONSOLIDATED INCOME STATEMENT	**Year ended December 31, 2015 (unaudited)*** *(in EUR million, except for shares outstanding and earnings per share)*	**Year ended December 31, 2014 (unaudited)** *(in EUR million, except for shares outstanding and earnings per share)*	**2013 (audited)**	**2012 (unaudited)**
Net sales	**12 499**	**11 763**	**12 709**	**15 400**
Cost of sales	(7 045)	(6 855)	(7 364)	(9 841)
Gross profit	**5 453**	**4 907**	**5 345**	**5 559**
Research and development expenses	(2 126)	(1 948)	(2 619)	(3 081)
Selling, general and administrative expenses	(1 651)	(1 453)	(1 671)	(2 062)
Other income and expenses	12	(95)	(536)[1]	(1 237)[2]
Operating profit/(loss)	**1 688**	**1 412**	**519**	**(821)**
Share of results of associated companies and joint ventures	29	(12)	4	(1)
Financial income and expenses	(177)	(401)	(280)	(357)
Profit/(loss) before tax	**1 540**	**999**	**243**	**(1 179)**

Income tax (expense)/benefit	(346)	1 718	(202)	(304)
Profit/(loss) from continuing operations	**1 194**	**2 718***	**41**	**(1 483)**
Attributable to:				
Equity holders of the parent	1 192	2 710*	186	(771)
Non-controlling interests	2	8	(145)	(712)
Profit/(loss) from discontinued operations	**1 274**	**758***	**(780)**	**(2 303)**
Attributable to:				
Equity holders of the parent	1 274	752	(801)	(2 334)
Non-controlling interests	0	6	21	31
Profit/(loss)	**2 468**	**3 476**	**(739)**	**(3 786)**
Attributable to:				
Equity holders of the parent	2 466	3 462	(615)	(3 105)
Non-controlling interests	2	14	(124)	(681)
Earnings per share (for profit/(loss) attributable to the equity holders of the parent)				
Basic earnings per share (in EUR)				
Continuing operations	0.32	0.73	0.05	(0.21)
Discontinued operations	0.35	0.20	(0.22)	(0.63)
Nokia Group	0.67	0.94	(0.17)	(0.84)
Diluted earnings per share (in EUR)				
Continuing operations	0.31	0.67	0.05	(0.21)
Discontinued operations	0.32	0.18	(0.22)	(0.63)
Nokia Group	0.63	0.85	(0.17)	(0.84)
Average number of shares (000 shares)				
Basic				
Continuing operations	3 670 934	3 698 723	3 712 079	3 710 845
Discontinued operations	3 670 934	3 698 723	3 712 079	3 710 845
Nokia Group	3 670 934	3 698 723	3 712 079	3 710 845
Diluted				
Continuing operations	3 949 312	4 131 602	3 733 364	3 710 845
Discontinued operations	3 949 312	4 131 602	3 712 079	3 710 845
Nokia Group	3 949 312	4 131 602	3 712 079	3 710 845

1 Consist of Other income of EUR 272 million and Other expenses of EUR (808) million.

2 Consist of Other income of EUR 276 million and Other expenses of EUR (1 513) million.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Year ended December 31, 2015 (unaudited)* *(in EUR million)*	Year ended December 31, 2014 (unaudited)	2013 (audited) *(in EUR million)*	2012 (unaudited)
Profit/(loss)	**2 468**	**3 476**	**(739)**	**(3 786)**
Other comprehensive income/(expense)				
Items that will not be reclassified to profit or loss:				
Remeasurements on defined benefit pensions	112	(275)	83	(228)
Income tax related to items that will not be reclassified to profit or loss	(28)	96	(3)	22
Items that may be reclassified subsequently to profit or loss:				
Translation differences	(1 054)	820	(496)	41
Net investment hedges	323	(167)	114	(58)
Cash flow hedges	(5)	(30)	3	(41)
Available-for-sale investments	57	106	49	35
Other increase/(decrease), net	1	40*	5	10
Income tax related to items that may be reclassified subsequently to profit or loss	(88)	16	1	12
Other comprehensive income/(expense), net of tax	**(682)**	**606**	**(244)**	**(207)**
Total comprehensive income	**1 786**	**4 082**	**(983)**	**(3 993)**
Attributable to:				
Equity holders of the parent	1 781	4 061	(863)	(3 281)
Non-controlling interests	5	21	(120)	(712)
	1 786	**4 082**	**(983)**	**(3 993)**
Attributable to equity holders of the parent:				
Continuing operations	1 457	2 350*	34	(831)
Discontinued operations	324	1 711*	(897)	(2 450)
	1 781	4 061	(863)	(3 281)
Attributable to non-controlling interest:				
Continuing operations	5	16	(139)	(740)
Discontinued operations	0	5	19	28
	5	**21**	**(120)**	**(712)**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION	As of December 31, 2015 (unaudited)* (in EUR million)	As of December 31, 2014 (audited)	2013 (audited)	2012 (unaudited)
		(in EUR million)		
ASSETS				
Goodwill	237	2 563	3 295	4 876
Other intangible assets	323	350	296	647
Property, plant and equipment	695	716	566	1 431
Investments in associated companies and joint ventures	84	51	65	58
Available-for-sale investments	948	828	741	689
Deferred tax assets	2 634	2 720	890	1 279
Long-term loans receivable	49	34	96	125
Prepaid pension costs[1]	25	31	38	152
Other non-current assets[1]	51	47	61	66
Non-current assets	**5 046**	**7 339**	**6 048**	**9 323**
Inventories	1 014	1 275	804	1 538
Accounts receivable, net of allowances for doubtful accounts	3 913	3 429*	2 901	5 551
Prepaid expenses and accrued income	749	913	660	2 682
Current income tax assets	171	124	146	495
Current portion of long-term loans receivable	21	1	29	35
Other financial assets	107	266	285	451
Investments at fair value through profit and loss, liquid assets	687	418	382	415
Available-for-sale investments, liquid assets	2 167	2 127	956	542
Cash and cash equivalents[2]	6 995	5 170	7 633	8 952
Current assets	**15 824**	**13 724**	**13 796**	**20 661**
Assets held for sale			89	
Assets of disposal groups classified as held for sale			5 258	
Total assets	**20 870**	**21 063**	**25 191**	**29 984**
SHAREHOLDERS EQUITY AND LIABILITIES				
Share capital	246	246	246	246
Share issue premium	380	439	615	446
Treasury shares at cost	(718)	(988)	(603)	(629)
Translation differences	292	1 099	434	746
Fair value and other reserves	148	22	80	(5)
Reserve for invested non-restricted equity	3 820	3 083	3 115	3 136
Retained earnings	6 279	4 710	2 581	3 997
Capital and reserves attributable to equity holders of the parent	10 446	8 611	6 468	7 937
Non-controlling interests	21	58	192	1 302

Total equity	**10 468**	**8 669**	**6 660**	**9 239**
Long-term interest-bearing liabilities	2 023	2 576	3 286	5 087
Deferred tax liabilities	62	32	195	701
Deferred revenue and other long-term liabilities	1 677	2 197	630	997
Provisions	250	301	242	304
Non-current liabilities	4 011	5 107*	4 353	7 089
Current portion of interest-bearing liabilities	1	1	3 192	201
Short-term borrowing	50	115	184	261
Other financial liabilities	113	174	35	90
Current income tax liabilities	446	481	484	499
Accounts payable	1 910	2 313	1 842	4 394
Accrued expenses, deferred revenue and other liabilities	3 395	3 632	3 033	6 223
Provisions	476	572	680	1 988
Current liabilities	6 391	7 288	9 450	13 656
Liabilities of disposal groups classified as held for sale			4 728	
Total shareholders equity and liabilities	**20 870**	**21 063**	**25 191**	**29 984**

[1] Prepaid pension costs previously reported under Other non-current assets have been reported separately since June 30, 2015. The information for prior periods presented has been adjusted accordingly.

[2] Since June 30, 2015, Bank and cash and Available for sale investments, cash equivalents have been reported as a single line item Cash and cash equivalents . The information for prior periods presented has been adjusted accordingly.

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CONSOLIDATED STATEMENT OF CASH FLOWS	Year ended December 31, 2015 (unaudited)* *(in EUR million)*	Year ended December 31, 2014	2013 (audited) *(in EUR million)*	2012
Net cash from/(used in) operating activities	507	1 275	72	(354)
Net cash from/(used in) investing activities	1 896	886	(691)	562
Net cash used in financing activities	(584)	(4 576)	(477)	(465)
Foreign exchange adjustment	6	(48)	(223)	(27)
Net increase/(decrease) in cash and equivalents	1 825	(2 463)	(1 319)	(284)
Cash and cash equivalents at beginning of period	5 170	7 633	8 952	9 236
Cash and cash equivalents at end of period	6 995	5 170	7 633	8 952

Consolidated statement of cash flows combines cash flows from both the continuing and the discontinued operations.

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Key Ratios

	Year ended December 31, 2015 (unaudited)*	Year ended December 31, 2014	2013 (unaudited)	2012
Key ratios at the reporting date, continuing operations				
Earnings per share for profit attributable to equity holders of parent				
Earnings per share, basic, EUR	0.32	0.73	0.05[1]	(0.21)
Earnings per share, diluted, EUR	0.31	0.67	0.05[1]	(0.21)
P/E ratio, basic	20.61	8.99	116.40	neg.
Ordinary dividend per share, EUR*	0.16[4]	0.14	0.11	0
Special dividend per share, EUR*	0.10[4]	0	0.26	0
Total dividends paid, EURm	1 500	511	1 374	0
Payout ratio, basic[2]	0.50	0.19*	2.20*	0
Dividend yield, %[3]	2.43	2.13	1.89*	0
Shareholders equity per share, EUR*	2.65	2.36	1.74	2.14
Market capitalization, EURm	25 979	23 932	21 606	10 873

1 Earnings per share (basic and diluted) for the year ended December 31, 2013 are audited.

2 Payout ratio, basic is calculated based on the Ordinary dividend per share, EUR. The payout ratio including the Special dividend per share is 0.81 for the year ended December 31, 2015, 0.19 for the year ended December 31, 2014 and 7.40 for the year ended December 31, 2013.*

3 Dividend yield, % is calculated based on the Ordinary dividend per share, EUR. The dividend yield, % including the Special dividend per share is 3.94 for the year ended December 31, 2015, 2.13 for the year ended December 31, 2014 and 6.36 for the year ended December 31, 2013.*

4 The ordinary and special dividend for 2015 will be proposed by the Nokia Board of Directors. The resolution on the dividend will be made by the Annual General Meeting in 2016.*

In November 2011, Nokia Networks announced its strategy to focus on mobile broadband and services. It also announced an extensive global restructuring program that ultimately resulted in the reduction of its annualized operating expenses and production overhead by over EUR 1.5 billion when the program was completed at the end of 2013. As part of its strategy of focusing on mobile broadband, Nokia Networks also divested a number of non-core businesses.

Beginning in 2013, Nokia undertook a series of transactions to transform its business portfolio. On July 1, 2013, Nokia announced the agreement to acquire Siemens 50% stake in the companies joint venture Nokia Siemens Networks. The purchase price was EUR 1.7 billion and the transaction closed on August 7, 2013. On September 3, 2013, Nokia announced that it had signed an agreement to sell its Devices & Services Business to Microsoft for a total purchase price of EUR 5.44 billion, of which EUR 3.79 billion related to the Sale of the Devices & Services Business and EUR 1.65 billion related to a mutual patent license agreement. In conjunction with the transaction, Nokia established the Nokia Technologies business to focus on technology development and intellectual property rights activities. The transaction significantly strengthened the Company s financial position and subsequent to the transaction, in 2014, Nokia started the optimization of its capital structure and recommenced dividend payments, distributed excess capital to shareholders and reduced its interest-bearing debt.

On April 15, 2015, Nokia continued its transformation with the announcement that it had signed an agreement to acquire Alcatel Lucent through the Exchange Offer on the basis of 0.5500 Nokia Shares for each Alcatel Lucent Share. In conjunction with this announcement, Nokia announced that it has suspended its capital structure optimization program effective immediately. On August 3, 2015, Nokia announced an agreement to sell HERE to an automotive industry consortium and estimates that it will receive net proceeds of slightly above EUR 2.5 billion. The transaction was completed on December 4, 2015.* On October 29, 2015, Nokia announced a planned EUR 7 billion program to optimize Nokia s capital structure and return excess capital to shareholders, subject to the closing of the Alcatel Lucent and HERE transactions, as well as the conversion of all Nokia and Alcatel Lucent convertible bonds.

Nokia obtained control of Alcatel Lucent on January 4, 2016 when the interim results of the successful initial Exchange Offer were announced by the AMF with a shareholding of 76.31% of the share capital and at least 76.01% of the voting rights. On January 14, 2016, the combined operations of Nokia and Alcatel Lucent commenced. On the same day, Nokia reopened the Exchange Offer. The results of the reopened offer period in the Exchange Offer were published on February 10, 2016 and as a result, Nokia holds 91.25% of the share capital and at least 91.17% of the voting rights of Alcatel Lucent.*

Alcatel Lucent

The following tables set out selected consolidated financial information for Alcatel Lucent. This information is qualified by reference to, and should be read in conjunction with, Alcatel Lucent s consolidated financial statements and the notes thereto for the year ended December 31, 2014, which are included in Annex A, Alcatel Lucent s consolidated financial statements and the notes thereto for the years ended December 31, 2013 and 2012, which are incorporated by reference into this Listing Prospectus, and Alcatel Lucent s unaudited consolidated financial statements at December 31, 2015, which are incorporated by reference into this Listing Prospectus. The selected consolidated historical income statement and statement of cash flow data for the years ended December 31, 2014, 2013 and 2012 and the consolidated statement of financial position data as of December 31, 2014, 2013 and 2012 have been derived from Alcatel Lucent s audited consolidated financial statements for the respective years, prepared in accordance with IFRS. The selected consolidated historical income statement and statement of cash flow data for the year ended December 31, 2015 and the consolidated statement of financial position as of December 31, 2015 have been derived from Alcatel Lucent s unaudited consolidated financial statements at December 31, 2015, prepared in accordance with IFRS.*

On September 30, 2014, Alcatel Lucent completed the disposal of 85% of its Enterprise business to China Huaxin, for cash proceeds of EUR 205 million, following the binding offer Alcatel Lucent received early February 2014. As a result of this transaction, the results pertaining to the Enterprise business for the year ended December 31, 2014 were treated as discontinued operations and years ended December 31, 2013 and 2012 were re-presented accordingly.

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CONSOLIDATED INCOME STATEMENTS	For the year ended as of December 31, 2015 (unaudited)* *(in EUR million, except per share data)*	For the year ended as of December 31, 2014	2013[1] (audited)	2012[1]
		(in EUR million, except per share data)		
Revenues	**14 275**	**13 178**	**13 813**	**13 764**
Cost of sales	(9 132)	(8 770)	(9 491)	(9 753)
Gross profit	**5 143**	**4 408**	**4 322**	**4 011**
Administrative and selling expenses	(1 761)	(1 621)	(1 862)	(2 161)
Research and development costs	(2 378)	(2 215)	(2 268)	(2 330)
Income (loss) from operating activities before restructuring costs, litigations, gain/(loss) on disposal of consolidated entities, impairment of assets and post-retirement benefit plan amendments	**1 004**	**572**	**192**	**(480)**
Restructuring costs	(401)	(574)	(518)	(479)
Litigations	(20)	7	(2)	2
Gain/(loss) on disposal of consolidated entities	(1)	20	2	11
Transaction-related costs	(104)			
Impairment of assets	(193)		(548)	(894)
Post-retirement benefit plan amendments	404	112	135	204
Income (loss) from operating activities	**689**	**137**	**(739)**	**(1 636)**
Finance cost	(269)	(291)	(392)	(279)
Other financial income (loss)	(136)	(211)	(318)	(394)
Share in net income (losses) of associates & joint ventures	2	15	7	5
Income (loss) before income tax and discontinued operations	**286**	**(350)**	**(1 442)**	**(2 304)**
Income tax (expense) benefit	16	316	173	(423)
Income (loss) from continuing operations	**302**	**(34)**	**(1 269)**	**(2 727)**
Income (loss) from discontinued operations	(16)	(49)	(25)	639
NET INCOME (LOSS)	**286**	**(83)**	**(1 294)**	**(2 088)**
Attributable to:				
Equity owners of the parent	**257**	**(118)**	**(1 304)**	**(2 011)**
Non-controlling interests	29	35	10	(77)
Earnings (loss) per share (in euros)[2]				
Basic earnings (loss) per share:				
From continuing operations	0.10	(0.02)	(0.53)	(1.11)
From discontinued operations	(0.01)	(0.02)	(0.01)	0.27
Attributable to the equity owners of the parent	0.09	(0.04)	(0.54)	(0.84)
Diluted earnings (loss) per share:				
From continuing operations	0.10	(0.02)	(0.53)	(1.11)
From discontinued operations	(0.01)	(0.02)	(0.01)	0.22
Attributable to the equity owners of the parent	0.09	(0.04)	(0.54)	(0.84)

[1] 2013 and 2012 amounts are re-presented to reflect the impacts of discontinued operations.

[2] As a result of the 2013 capital increase made by Alcatel Lucent through an offering of preferential subscription rights to existing shareholders, the calculation of basic and diluted earnings per share has been adjusted retrospectively. Number of outstanding ordinary shares has been adjusted to reflect the proportionate change in the number of shares.

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	For the year ended as of December 31, 2015 (unaudited)* *(in EUR million)*	For the year ended as of December 31, 2014	2013 (audited) *(in EUR million)*	2012
Net income (loss) for the year / period	**286**	**(83)**	**(1 294)**	**(2 088)**
Items to be subsequently reclassified to Income Statement	**386**	**510**	**(221)**	**(4)**
Financial assets available for sale	2	8	11	16
Cumulative translation adjustments	384	503	(232)	(34)
Cash flow hedging		(1)		14
Tax on items recognized directly in equity				
Items that will not be subsequently reclassified to Income Statement	**878**	**(1 568)**	**1 411**	**71**
Actuarial gains (losses) and adjustments arising from asset ceiling limitation and IFRIC 14	933	(1 822)	1 667	172
Tax on items recognized directly in equity	(55)	254	(256)	(101)
Other comprehensive income (loss) for the year	**1 264**	**(1 058)**	**1 190**	**67**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**1 550**	**(1 141)**	**(104)**	**(2 021)**
Attributable to:				
Equity owners of the parent	**1 467**	**(1 256)**	**(99)**	**(1 933)**
Non-controlling interests	83	115	(5)	(88)

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	As of December 31, 2015 (unaudited)* *(in EUR million)*	As of December 31, 2014	2013 (audited) *(in EUR million)*	2012
ASSETS				
Non-current assets:				
Goodwill	3 215	3 181	3 156	3 820
Intangible assets, net	1 435	1 011	1 001	1 175
Goodwill and intangible assets, net	**4 650**	**4 192**	**4 157**	**4 995**
Property, plant and equipment, net	1 382	1 132	1 075	1 133
Investments in associates & joint ventures	20	51	35	29
Other non-current financial assets, net	361	406	322	341
Deferred tax assets	1 740	1 516	1 000	985
Prepaid pension costs	2 935	2 636	3 150	2 797
Other non-current assets	509	429	413	428
Total non-current assets	**11 597**	**10 362**	**10 152**	**10 708**
Current assets:				
Inventories and work in progress, net	1 600	1 971	1 935	1 940
Trade receivables and other receivables, net	2 535	2 528	2 482	2 860
Advances and progress payments	45	43	46	53
Other current assets	778	877	751	726
Current income taxes	64	64	33	118
Marketable securities, net	1 626	1 672	2 259	1 528
Cash and cash equivalents	4 905	3 878	4 096	3 401
Current assets before assets held for sale	**11 553**	**11 033**	**11 602**	**10 626**
Assets held for sale and assets included in disposal groups held for sale	39	65	142	20
Total current assets	**11 592**	**11 098**	**11 744**	**10 646**
TOTAL ASSETS	**23 189**	**21 460**	**21 896**	**21 354**
EQUITY AND LIABILITIES				
Equity:				
Capital stock	152	141	140	4 653
Additional paid-in capital	21 232	20 869	20 855	16 593
Less treasury stock at cost	(1 084)	(1 084)	(1 428)	(1 567)
Accumulated deficit, fair value and other reserves	(16 882)	(17 633)	(14 588)	(15 159)
Other items recognized directly in equity	54	52	45	
Cumulative translation adjustments	(36)	(366)	(787)	(571)
Net income (loss) - attributable to the equity owners of the parent	257	(118)	(1 304)	(2 011)
Equity attributable to equity owners of the parent	**3 693**	**1 861**	**2 933**	**1 938**
Non-controlling interests	904	833	730	745

Total equity	**4 597**	**2 694**	**3 663**	**2 683**
Non-current liabilities:				
Pensions, retirement indemnities and other post-retirement benefits	4 506	5 163	3 854	5 338
Convertible bonds and other bonds, long-term	4 394	4 696	4 711	3 727
Other long-term debt	238	179	211	227
Deferred tax liabilities	946	872	990	889
Other non-current liabilities	561	175	188	177
Total non-current liabilities	**10 645**	**11 085**	**9 954**	**10 358**
Current liabilities:				
Provisions	1 128	1 364	1 416	1 649
Current portion of long-term debt and short-term debt	579	402	1 240	851
Customers deposits and advances	794	810	681	718
Trade payables and other payables	3 578	3 571	3 518	3 726
Current income tax liabilities	65	73	93	145
Other current liabilities	1 789	1 429	1 237	1 204
Current liabilities before liabilities related to disposal groups held for sale	**7 933**	**7 649**	**8 185**	**8 293**
Liabilities related to disposal groups held for sale	14	32	94	20
Total current liabilities	**7 947**	**7 681**	**8 279**	**8 313**
TOTAL EQUITY AND LIABILITIES	**23 189**	**21 460**	**21 896**	**21 354**

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CONSOLIDATED STATEMENTS OF CASH FLOWS	For the year ended December 31, 2015 (unaudited)* *(in EUR million)*	For the year ended December 31, 2014	2013[1] (audited) *(in EUR million)*	2012[1]
Net cash provided (used) by operating activities	**1 177**	**127**	**(221)**	**(144)**
Net cash provided (used) by investing activities	**(485)**	**235**	**(1 128)**	**(1 039)**
Net cash provided (used) by financing activities	**(211)**	**(1 383)**	**2 350**	**(12)**
Cash provided (used) by operating activities of discontinued operations	11	34	65	(71)
Cash provided (used) by investing activities of discontinued operations	30	71	(64)	1 066
Cash provided (used) by financing activities of discontinued operations		65	(15)	36
Net effect of exchange rate changes	505	633	(292)	23
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1 027**	**(218)**	**695**	**(141)**
Cash and cash equivalents at beginning of period / year	**3 878**	**4 096**	**3 401**	**3 533**
Cash and cash equivalents at beginning of period / year classified as assets held for sale				**9**
Cash and cash equivalents at end of period / year [2]	**4 905**	**3 878**	**4 096**	**3 400**
Cash and cash equivalents at end of period / year classified as assets held for sale				**1**
Cash and cash equivalents including cash and cash equivalents classified as held for sale at the end of period	**4 905**	**3 878**	**4 096**	**3 401**

1 2013 and 2012 amounts are re-presented to reflect the impacts of discontinued operations.

2 Includes EUR 1 505 million of cash and cash equivalents held in countries subject to exchange control restrictions as of December 31, 2015 (EUR 1 019 million as of December 31, 2014, EUR 756 million as of December 31, 2013 and EUR 949 million as of December 31, 2012). Such restrictions can limit the use of such cash and cash equivalents by other Alcatel Lucent Group subsidiaries and Alcatel Lucent.

On June 19, 2013, Alcatel Lucent announced the Shift Plan, a detailed three-year plan to transform itself into a specialist provider of IP and Cloud Networking and Ultra-Broadband Access. As part of this process, effective from July 1, 2013, Alcatel Lucent implemented a new organization composed of three reportable segments: Core Networking, Access and Other.

The Shift Plan has targeted investments in Core Networking businesses (including IP Routing, IP Transport, IP Platforms and associates services), increasing segment operating cash flow from the Access segment, and technological partnerships. The Shift Plan has also focused on market diversification and rightsizing Alcatel Lucent s cost structure. In particular, the Shift

Plan aims to reduce Alcatel Lucent s fixed-cost base by EUR 950 million in 2015 compared to its 2012 cost base. Alcatel

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		Lucent has stated that it expects that the cumulative amount of restructuring cash outlays pursuant to the Shift Plan should be approximately EUR 1.8 billion, of which approximately EUR 1.4 billion will be incurred between 2013 and 2015, with the remainder in 2016.
		In addition, Alcatel Lucent has completed multiple dispositions as part of the Shift Plan and re-profiled and reduced the financial debt of the company.
		Nokia obtained control of Alcatel Lucent on January 4, 2016 when the interim results of the successful initial Exchange Offer were announced by the AMF with a shareholding of 76.31% of the share capital and at least 76.01% of the voting rights. On January 14, 2016, the combined operations of Nokia and Alcatel Lucent commenced. On the same day, Nokia reopened the Exchange Offer. The results of the reopened offer period in the Exchange Offer were published on February 10, 2016 and as a result, Nokia holds 91.25% of the share capital and at least 91.17% of the voting rights of Alcatel Lucent.*
B.9	**Profit forecast and estimates**	Not applicable.*
C.7	**Dividend policy**	On February 11, 2016, Nokia announced that the Board of Directors of Nokia will propose to the Annual General Meeting in 2016 a dividend of EUR 0.16 per share for 2015 and a special dividend of EUR 0.10 per share. The resolution on the dividend will be made by the Annual General Meeting in 2016.*

Supplements to the section *Dividends and Dividend Policy Nokia*

The information under the section *Dividends and Dividend Policy Nokia* on page 189 of the Listing Prospectus is supplemented with the following information:

On February 11, 2016, Nokia announced that the Board of Directors of Nokia will propose to the Annual General Meeting in 2016 a dividend of EUR 0.16 per share for 2015 and a special dividend of EUR 0.10 per share. The resolution on the dividend will be made by the Annual General Meeting in 2016.

Supplements to the section *Operating and Financial Review and Prospects Nokia Recent Developments*

The information under the section *Operating and Financial Review and Prospects Nokia Recent Developments* on pages 252 253 of the Listing Prospectus is supplemented with the following information:

On February 10, 2016, Nokia announced the results of its successful reopened Exchange Offer for Alcatel Lucent Securities. Nokia will hold 91.25% of the share capital of Alcatel Lucent, following the settlement of the Alcatel Lucent Securities tendered into the reopened offer, which is expected to occur on February 12, 2016. This equates to Nokia holding 88.07% of the share capital of Alcatel Lucent on a fully diluted basis.

Nokia confirmed that it will issue approximately 321 million new Nokia Shares as consideration for the Alcatel Lucent Securities that have been tendered into the reopened Exchange Offer. Nokia expects to register these new

Nokia Shares with the Finnish Trade Register on February 12, 2016. After the registration, the total number of Nokia Shares will equal approximately 5 769 million shares. The trading in the new Nokia Shares is expected to commence on February 15, 2016.

Assuming the conversion of all remaining outstanding Alcatel Lucent Securities into Nokia Shares at the exchange ratio offered in the Exchange Offer, the total number of Nokia Shares would equal approximately 6 billion shares.

On February 10, 2016, Nokia announced that the USD 1.85 billion aggregate principal amount of senior notes issued by Alcatel Lucent USA Inc., comprising the USD 650 million 4.625% notes due July 2017, USD 500 million 8.875% notes due January 2020 and USD 700 million 6.750% notes due November 2020, had been redeemed in accordance with terms and conditions of the notes. Alcatel Lucent USA Inc. is a subsidiary of Alcatel Lucent S.A.

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The redemption was part of Nokia s EUR 7 billion capital structure optimization program announced on October 29, 2015, which focuses on, among other things, reducing interest-bearing liabilities of the combined Nokia and Alcatel Lucent by approximately EUR 2 billion.

Alcatel Lucent S.A. had also on February 9, 2016 terminated its EUR 504 million revolving credit facility. Following these transactions all debt items in the Combined Company capital structure are based on investment grade documentation and have no financial covenants.

On February 11, 2016, Nokia announced that, as of the first quarter 2016, Nokia expects to align its financial reporting under two areas: the Networks business and Nokia Technologies. The Networks business will be comprised of four business groups: Mobile Networks, Fixed Networks, Applications & Analytics and IP/Optical Networks. Nokia Technologies will continue to operate as a separate business group, with a clear focus on licensing and the incubation of new technologies, and will include the licensing and portfolio management operations from Alcatel Lucent. In addition, Nokia expects to operate the undersea cables business, Alcatel Lucent Submarine Networks (ASN), and the antenna systems business, Radio Frequency Systems (RFS), as separate entities and plans to report ASN and RFS as part of Group Common Functions.

Supplements to the section *Operating and Financial Review and Prospects Nokia Prospects*

The information under the section *Operating and Financial Review and Prospects Nokia Prospects* on pages 253 254 of the Listing Prospectus is replaced with the following information:

This section Prospects includes forward-looking statements. Forward-looking statements are no guarantees of future developments, and Nokia s actual results may differ materially from the results described in or implied by forward-looking statements contained herein due to various factors, some of them described in the sections Cautionary Statement Regarding Forward-Looking Statements and Risk Factors . Nokia cautions investors not to place undue reliance on these forward-looking statements, which speak only as at the date of the Listing Prospectus, as supplemented from time to time.

The following table sets forth Nokia s outlook as disclosed in conjunction with the unaudited interim report of Nokia for the year ended December 31, 2015.

This outlook does not constitute a profit forecast, and no auditor s statement has been issued thereon.

	Metric[1]	Guidance	Commentary
Nokia	Annual operating cost synergies	Approximately EUR 900 million of net operating cost synergies to be achieved in full year 2018	Compared to the combined non-IFRS operating costs of Nokia and Alcatel Lucent for full year 2015. Expected to be derived from a wide range of initiatives related to operating expenses and cost of sales, including: Streamlining of overlapping products and services, particularly within the Mobile Networks business group;

Rationalization of regional and sales organizations;

Rationalization of overhead, particularly within manufacturing, supply-chain, real estate and information technology;

Reduction of central function and public company costs; and

Procurement efficiencies, given the Combined Company s expanded purchasing power.

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	Annual interest expense reduction	Approximately EUR 200 million of reductions in interest expenses to be achieved on a full year basis in 2016 (update)	Compared to the cost of debt run rate for the combined entity at year end 2014. This is an update to the earlier annual interest expense reduction target of approximately EUR 200 million of reductions in interest expenses to be achieved on a full year basis in 2017.
Networks	Full year 2016 net sales Full year 2016 non-IFRS operating margin	Not provided	Due to the very recent acquisition of Alcatel Lucent, Nokia believes it is not appropriate to provide an annual outlook for the new combined Networks business at the present time, and intends to provide its full year outlook in conjunction with its Q1 results announcement. Q1 2016 net sales and non-IFRS operating margin are expected to be influenced by factors including: A flattish capex environment in 2016 for Nokia s overall addressable market; A declining wireless infrastructure market in 2016, with a greater than normal seasonal decline in Q1 2016; Competitive industry dynamics; Product and regional mix; The timing of major network deployments; and Execution of integration and synergy plans.
Nokia Technologies	Full year 2016 net sales	Not provided	Due to risks and uncertainties in determining the timing and value of significant licensing agreements, Nokia believes it is not appropriate to provide an annual outlook.

Factors that are outside Nokia s influence affecting the outlook relate mainly to a flattish capex environment in 2016 for Nokia s overall addressable market, a declining wireless infrastructure market in 2016, with greater than normal seasonal decline in Q1 2016, competitive industry dynamics, product and regional mix, and the timing of major network deployments. Additional risk factors can be found in the section *Risk Factors Risks Relating to the Operating Environment, Business and Financing of Nokia* .

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Supplements relating to the section *Capitalization and Indebtedness of Nokia*

The section *Capitalization and Indebtedness of Nokia* on pages 187 188 of the Listing Prospectus is replaced with the information presented herein.

The following table sets forth Nokia Group s capitalization and indebtedness as at December 31, 2015 derived from the unaudited interim report of Nokia for the year ended December 31, 2015. This table should be read together with the unaudited interim report of Nokia for the year ended December 31, 2015, which is incorporated by reference into this Listing Prospectus, as well as the following section *Operating and Financial Review and Prospects Nokia* , including *Liquidity and Capital Resources* .

EUR million	**As of December 31, 2015 Actual (unaudited)**
Capitalization	
Short-term interest-bearing liabilities	51
Unguaranteed/Unsecured	51
Guaranteed/Secured	
Long-term interest-bearing liabilities	2 023
Unguaranteed/Unsecured	2 023
Guaranteed/Secured	
Total interest-bearing liabilities	**2 074**
Shareholders equity	
Share capital	246
Share issue premium	380
Treasury shares at cost	(718)
Translation differences	292
Fair value and other reserves	148
Reserve for invested non-restricted equity	3 820
Retained earnings	6 279
Capital and reserves attributable to equity holders of the parent	**10 446**
Non-controlling interest	21
Total equity	**10 468**
Total shareholders equity and interest-bearing liabilities	**12 542**
Net indebtedness	
Cash and cash equivalents	6 995
Available-for-sale investments, liquid assets	2 167
	687

Investments at fair value through profit and loss, liquid assets	
Liquidity	**9 849**
Current portion of long-term interest bearing liabilities	1
Short-term borrowings	50
Total short-term interest bearing liabilities	**51**
Net current financial indebtedness (net cash)	**9 798**
Long-term interest-bearing liabilities	2 023
Net financial indebtedness (net cash)	**7 775**

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Nokia obtained control of Alcatel Lucent on January 4, 2016. Following the initial and reopened Exchange Offer, Nokia holds 91.25% of the share capital and 91.17% of the voting rights of Alcatel Lucent. Based on the results of the initial and reopened Exchange Offer, a total of 1.8 billion new Nokia Shares are issued to the holders of Alcatel Lucent Securities tendered in the Exchange Offer. The closing price of the Nokia Share on Nasdaq Helsinki as at the date of acquisition (i.e. January 4, 2016) was EUR 6.58.

The following table sets forth Alcatel Lucent s indebtedness as at December 31, 2015. The information presented below has been derived from Alcatel Lucent s unaudited consolidated financial statements at December 31, 2015, which are incorporated by reference into this Listing Prospectus, and should be read together therewith.

Net indebtedness	
Marketable securities short-term, net	1 626
Cash and cash equivalents	4 905
Liquidity	**6 531**
Current portion of long term debt bonds and credit facilities[1) 2)]	190
Current portion of other long-term debt and short-term debt	389
Total short-term interest bearing liabilities	**579**
Net current financial indebtedness (net cash)	**5 952**
Convertible bonds and other bonds, long-term [1) 2)]	4 394
Other long-term debt	238
Net financial indebtedness (net cash) before derivative instrument adjustments	**1 320**
Derivative instruments on financial debt	88
Net financial indebtedness (net cash)	**1 409**

1) The carrying value of the 2018 OCEANEs, 2019 OCEANEs and 2020 OCEANEs that were outstanding was EUR 1 302 million as of December 31, 2015. As a result of the Exchange Offer, Nokia holds 99.62%, 37.18% and 68.17% of the 2018 OCEANEs, 2019 OCEANEs and 2020 OCEANEs, respectively. After consideration of the tendered OCEANEs, the remaining OCEANEs carrying amount outstanding as of December 31, 2015 was EUR 473 million.
2) The total amount of outstanding Alcatel Lucent senior notes as of December 31, 2015 was EUR 3 282 million (carrying value) that will be assumed by Nokia through the acquisition. Nokia announced on February 10, 2016 that the USD 1 850 million (EUR 1 699 million) aggregate principal amount of senior notes issued by Alcatel Lucent USA Inc., comprising the USD 650 million 4.625% notes due July 2017, USD 500 million 8.875% notes due January 2020 and USD 700 million 6.750% notes due November 2020, had been redeemed on February 10, 2016 in accordance with the terms and conditions of the notes. The carrying value for the redeemed bonds as of December 31, 2015 was EUR 1 682 million. The redemption is part of Nokia s planned EUR 7 billion capital structure optimization program announced on October 29, 2015, which focuses on, among other things, reducing interest-bearing liabilities of the combined Nokia and Alcatel Lucent by approximately EUR 2 billion.

Alcatel Lucent S.A. has also on February 9, 2016 terminated its EUR 504 million revolving credit facility. Following these transactions, all debt items in the Combined Company capital structure are based on investment grade documentation and have no financial covenants. Alcatel Lucent had not utilized the revolving credit facility as of December 31, 2015.

Nokia s Board of Directors will propose to the Annual General Meeting of Nokia in 2016 a dividend of EUR 0.16 per share for 2015 and a special dividend of EUR 0.10 per share. The distributable funds on the balance sheet of the parent company as at December 31, 2015 amounted to EUR 9 456 million. Proposed dividend is estimated to result

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in a payout of approximately EUR 1 500 million in total dividend. The proposed dividend is calculated based on a total number of Nokia Shares of approximately 5.8 billion shares. The resolution on the dividend will be made by the Annual General Meeting in 2016.

For information on Nokia s contractual, contingent and off-balance sheet liabilities, refer to Note 11. Commitments and contingencies, Nokia Group, continuing operations, reported (unaudited) on page 47 of the unaudited interim report of Nokia for the year ended December 31, 2015, incorporated by reference into this Listing Prospectus.

For information Alcatel Lucent s contractual, contingent and off-balance sheet liabilities, refer to Note 28 Contractual obligations and off balance sheet commitments on pages 79 84 of the Alcatel Lucent Q4 Results Release, incorporated by reference into this Listing Prospectus.

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Supplements relating to the section *Selected Financial Information*

The section *Selected Financial Information* on pages 190 197 of the Listing Prospectus is replaced with the information presented herein.

Readers should note that the amended paragraphs or information, as applicable, have been marked with an asterisk (*).

Nokia

*The following tables set forth selected consolidated financial information for Nokia. This information is qualified by reference to, and should be read in conjunction with, Nokia s consolidated financial statements and the notes thereto for the years ended December 31, 2014, 2013 and 2012 and the unaudited interim report of Nokia for the year ended December 31, 2015, all of which are incorporated by reference into this Listing Prospectus. The selected consolidated historical income statement and statement of cash flow data for the years ended December 31, 2014, 2013 and 2012 and the consolidated statement of financial position data as of December 31, 2014, 2013 and 2012 have been derived from Nokia s audited consolidated financial statements for the respective years, prepared in accordance with the International Financial Reporting Standards (IFRS). The selected consolidated historical income statement and statement of cash flow data for the year ended December 31, 2015 and the consolidated statement of financial position as of December 31, 2015 have been derived from the unaudited interim report of Nokia for the year ended December 31, 2015, prepared in accordance with IFRS.**

In September 2013, Nokia announced the sale of substantially all of its Devices & Services Business to Microsoft. Subsequent to the approval for the sale received in the Extraordinary General Meeting in November 2013, Nokia Group has presented Devices & Services Business as discontinued operations. The sale was completed on April 25, 2014. In the consolidated income statement for the year 2013 the financial results of the Devices & Services Business were reported as discontinued operations separately from the continuing operations. The income statement information for the year 2012 were restated accordingly. As of January 1, 2013 Nokia adopted new revised IAS 19 Employee Benefits standard. As a result, the net pension liabilities and other comprehensive income were impacted mainly by the retrospectively applied elimination of the corridor approach and financial information for the year 2012 were adjusted accordingly. Thus, the restated information for the year 2012 presented in the following tables is unaudited.

*On August 3, 2015, Nokia announced an agreement to sell its HERE digital mapping and location services business to a consortium of leading automotive companies, comprising AUDI AG, BMW Group and Daimler AG. The sale of HERE was completed on December 4, 2015. In the unaudited consolidated income statement for the year ended December 31, 2015, HERE has been reported as discontinued operations separately from the continuing operations. The income statement information for the year 2014 was restated accordingly. Thus, the restated consolidated income statement information for the year 2014 presented in the following table is unaudited. HERE has been reported as part of Nokia s continuing operations in the consolidated financial information for the financial years ended December 31, 2013 and 2012.**

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Selected Historical Consolidated Financial Information for Nokia

CONSOLIDATED INCOME STATEMENT	Year ended December 31, 2015 (unaudited)* *(in EUR million, except for shares outstanding and earnings per share)*	Year ended December 31, 2014 (unaudited)	2013 (audited)	2012 (unaudited)
		(in EUR million, except for shares outstanding and earnings per share)		
Net sales	**12 499**	**11 763**	**12 709**	**15 400**
Cost of sales	(7 045)	(6 855)	(7 364)	(9 841)
Gross profit	**5 453**	**4 907**	**5 345**	**5 559**
Research and development expenses	(2 126)	(1 948)	(2 619)	(3 081)
Selling, general and administrative expenses	(1 651)	(1 453)	(1 671)	(2 062)
Other income and expenses	12	(95)	(536)[1]	(1 237)[2]
Operating profit/(loss)	**1 688**	**1 412**	**519**	**(821)**
Share of results of associated companies and joint ventures	29	(12)	4	(1)
Financial income and expenses	(177)	(401)	(280)	(357)
Profit/(loss) before tax	**1 540**	**999**	**243**	**(1 179)**
Income tax (expense)/benefit	(346)	1 718	(202)	(304)
Profit/(loss) from continuing operations	**1 194**	**2 718***	**41**	**(1 483)**
Attributable to:				
Equity holders of the parent	1 192	2 710*	186	(771)
Non-controlling interests	2	8	(145)	(712)
Profit/(loss) from discontinued operations	**1 274**	**758***	**(780)**	**(2 303)**
Attributable to:				
Equity holders of the parent	1 274	752	(801)	(2 334)
Non-controlling interests	0	6	21	31
Profit/(loss)	**2 468**	**3 476**	**(739)**	**(3 786)**
Attributable to:				
Equity holders of the parent	2 466	3 462	(615)	(3 105)
Non-controlling interests	2	14	(124)	(681)

Earnings per share (for profit/(loss) attributable to the equity holders of the parent)				
Basic earnings per share (in EUR)				
Continuing operations	0.32	0.73	0.05	(0.21)
Discontinued operations	0.35	0.20	(0.22)	(0.63)
Nokia Group	0.67	0.94	(0.17)	(0.84)
Diluted earnings per share (in EUR)				
Continuing operations	0.31	0.67	0.05	(0.21)
Discontinued operations	0.32	0.18	(0.22)	(0.63)
Nokia Group	0.63	0.85	(0.17)	(0.84)
Average number of shares (000 shares)				
Basic				
Continuing operations	3 670 934	3 698 723	3 712 079	3 710 845
Discontinued operations	3 670 934	3 698 723	3 712 079	3 710 845
Nokia Group	3 670 934	3 698 723	3 712 079	3 710 845
Diluted				
Continuing operations	3 949 312	4 131 602	3 733 364	3 710 845
Discontinued operations	3 949 312	4 131 602	3 712 079	3 710 845
Nokia Group	3 949 312	4 131 602	3 712 079	3 710 845

[1] Consist of Other income of EUR 272 million and Other expenses of EUR (808) million.
[2] Consist of Other income of EUR 276 million and Other expenses of EUR (1 513) million.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Year ended December 31, 2015 (unaudited)* *(in EUR million)*	Year ended December 31, 2014 (unaudited)	2013 (audited) *(in EUR million)*	2012 (unaudited)
Profit/(loss)	**2 468**	**3 476**	**(739)**	**(3 786)**
Other comprehensive income/(expense)				
Items that will not be reclassified to profit or loss:				
Remeasurements on defined benefit pensions	112	(275)	83	(228)
Income tax related to items that will not be reclassified to profit or loss	(28)	96	(3)	22
Items that may be reclassified subsequently to profit or loss:				
Translation differences	(1 054)	820	(496)	41
Net investment hedges	323	(167)	114	(58)
Cash flow hedges	(5)	(30)	3	(41)
Available-for-sale investments	57	106	49	35
Other increase/(decrease), net	1	40*	5	10
Income tax related to items that may be reclassified subsequently to profit or loss	(88)	16	1	12
Other comprehensive income/(expense), net of tax	**(682)**	**606**	**(244)**	**(207)**
Total comprehensive income	**1 786**	**4 082**	**(983)**	**(3 993)**
Attributable to:				
Equity holders of the parent	1 781	4 061	(863)	(3 281)
Non-controlling interests	5	21	(120)	(712)
	1 786	**4 082**	**(983)**	**(3 993)**
Attributable to equity holders of the parent:				
Continuing operations	1 457	2 350*	34	(831)
Discontinued operations	324	1 711*	(897)	(2 450)
	1 781	4 061	(863)	(3 281)
Attributable to non-controlling interests:				
Continuing operations	5	16	(139)	(740)
Discontinued operations	0	5	19	28
	5	**21**	**(120)**	**(712)**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION	As of December 31, 2015 (unaudited)* *(in EUR million)*	As of December 31, 2014 (audited)	2013 (audited) *(in EUR million)*	2012 (unaudited)
ASSETS				
Goodwill	237	2 563	3 295	4 876
Other intangible assets	323	350	296	647
Property, plant and equipment	695	716	566	1 431
Investments in associated companies and joint ventures	84	51	65	58
Available-for-sale investments	948	828	741	689
Deferred tax assets	2 634	2 720	890	1 279
Long-term loans receivable	49	34	96	125
Prepaid pension costs[1]	25	31	38	152
Other non-current assets[1]	51	47	61	66
Non-current assets	**5 046**	**7 339**	**6 048**	**9 323**
Inventories	1 014	1 275	804	1 538
Accounts receivable, net of allowances for doubtful accounts	3 913	3 429*	2 901	5 551
Prepaid expenses and accrued income	749	913	660	2 682
Current income tax assets	171	124	146	495
Current portion of long-term loans receivable	21	1	29	35
Other financial assets	107	266	285	451
Investments at fair value through profit and loss, liquid assets	687	418	382	415
Available-for-sale investments, liquid assets	2 167	2 127	956	542
Cash and cash equivalents[2]	6 995	5 170	7 633	8 952
Current assets	**15 824**	**13 724**	**13 796**	**20 661**
Assets held for sale			89	
Assets of disposal groups classified as held for sale			5 258	
Total assets	**20 870**	**21 063**	**25 191**	**29 984**
SHAREHOLDERS EQUITY AND LIABILITIES				
Capital and reserves attributable to equity holders of the parent				
Share capital	246	246	246	246
Share issue premium	380	439	615	446
Treasury shares at cost	(718)	(988)	(603)	(629)
Translation differences	292	1 099	434	746
Fair value and other reserves	148	22	80	(5)
Reserve for invested non-restricted equity	3 820	3 083	3 115	3 136
Retained earnings	6 279	4 710	2 581	3 997
Capital and reserves attributable to equity holders of the parent	10 446	8 611	6 468	7 937
Non-controlling interests	21	58	192	1 302

Total equity	**10 468**	**8 669**	**6 660**	**9 239**
Long-term interest-bearing liabilities	2 023	2 576	3 286	5 087
Deferred tax liabilities	62	32	195	701
Deferred revenue and other long-term liabilities	1 677	2 197	630	997
Provisions	250	301	242	304
Non-current liabilities	4 011	5 107*	4 353	7 089
Current portion of interest-bearing liabilities	1	1	3 192	201
Short-term borrowing	50	115	184	261
Other financial liabilities	113	174	35	90
Current income tax liabilities	446	481	484	499
Accounts payable	1 910	2 313	1 842	4 394
Accrued expenses, deferred revenue and other liabilities	3 395	3 632	3 033	6 223
Provisions	476	572	680	1 988
Current liabilities	6 391	7 288	9 450	13 656
Liabilities of disposal groups classified as held for sale			4 728	
Total shareholders equity and liabilities	**20 870**	**21 063**	**25 191**	**29 984**

[1] Prepaid pension costs previously reported under Other non-current assets have been reported separately since June 30, 2015. The information for prior periods presented has been adjusted accordingly.

[2] Since June 30, 2015, Bank and cash and Available for sale investments, cash equivalents have been reported as a single line item Cash and cash equivalents . The information for prior periods presented has been adjusted accordingly.

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CONSOLIDATED STATEMENT OF CASH FLOWS	Year ended December 31, 2015 (unaudited)* *(in EUR million)*	Year ended December 31, 2014	2013 (audited) *(in EUR million)*	2012
Net cash from/(used in) operating activities	507	1 275	72	(354)
Net cash from/(used in) investing activities	1 896	886	(691)	562
Net cash used in financing activities	(584)	(4 576)	(477)	(465)
Foreign exchange adjustment	6	(48)	(223)	(27)
Net increase/(decrease) in cash and equivalents	1 825	(2 463)	(1 319)	(284)
Cash and cash equivalents at beginning of period	5 170	7 633	8 952	9 236
Cash and cash equivalents at end of period	6 995	5 170	7 633	8 952

Consolidated statement of cash flows combines cash flows from both the continuing and the discontinued operations. The figures in the consolidated statement of cash flows cannot be directly traced from the statement of financial position without additional information as a result of acquisitions and disposals of subsidiaries and net foreign exchange differences arising on consolidation.

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Key Ratios

	Year ended December 31, 2015 (unaudited)*	Year ended December 31, 2014	2013 (unaudited)	2012
Key ratios at the reporting date, continuing operations				
Earnings per share for profit attributable to equity holders of parent				
Earnings per share, basic, EUR	0.32	0.73	0.05[1]	(0.21)
Earnings per share, diluted, EUR	0.31	0.67	0.05[1]	(0.21)
P/E ratio, basic	20.61	8.99	116.40	neg.
Ordinary dividend per share, EUR*	0.16[4]	0.14	0.11	0
Special dividend per share, EUR*	0.10[4]	0	0.26	

Before-tax operating income[(4)]	40%	£159.5 million
Earned premium	20%	£440.1 million
Sales	15%	£76.4 million
Service[(5)]	15%	100%
Operating expense ratio	10%	19.06%
Investments		
Net Investment Income[(6)]	50%	$2.479 million
Avoided Losses[(7)]	25%	$0
Market Composite[(8)]	25%	100%

Performance measure descriptions for purposes of the annual incentive plan:

(1) After-tax operating income is defined as net income adjusted to exclude after-tax net realized investment gains and losses.

(2) The business area composite component weighting for Unum Group includes a weighted average of the overall incentive plan results for Unum US at 40%, Unum UK at 25%, Colonial Life at 25% and Investments 10%.

(3) Return on equity is calculated by taking after-tax operating income and dividing it by the average of beginning and end of year stockholders equity adjusted to exclude the net unrealized gain or loss on securities and the net gain on cash flow hedges.

(4) Before-tax operating income is defined as net income adjusted to exclude income tax and net realized investment gains and losses.

(5) Service is based on the average of several service metrics for policyholders, producers and claimants.

(6) Net investment income reflects the impact of investment results on after-tax operating income.

(7) Avoided losses is calculated by multiplying an industry standard weighted default rate by Unum s total credit exposure and comparing to Unum s actual investment losses.

(8) Market composite consists of comparing the average of credit spreads on purchases, yields on purchases and realized investment losses to specified benchmarks.

Why are these performance measures and their respective targets selected?

The Committee selected these performance targets because it believes they represent long-term drivers of shareholder value:

- The growth and competitiveness of the company are measured using sales, earned premium and revenue targets;
- Profitability achievement is measured using after-tax operating income for Unum Group and pre-tax operating income for Unum US, Colonial Life and Unum UK;
- Capital management effectiveness is measured using return on equity; and
- Effective and efficient customer service is measured using the service and operating expense ratio targets.

A business area performance composite measure was added to Unum Group s performance measures for 2010. Given that the corporate staff organization provides support to the business areas, this new measure closely aligns Unum Group s results with those generated in the business units.

For 2010, after-tax operating income was selected as a performance measure to replace pre-tax operating income to more closely align with measures used by external stakeholders to evaluate our company s performance.

How are the annual incentive awards of the named executive officers related to the performance of Unum Group and the performance of its business units?

The portion of each named executive officer s annual incentive award that is tied to Unum Group s performance and the performance of its business units differ. Messrs. Watjen s and McKenney s incentive awards for results achieved in 2010 were based entirely (100%) on the results of Unum Group for each of its performance measures as described above. For Mr. McCarthy, 25% of his award was based on Unum Group performance and 75% on Unum US performance. For Mr. Horn, 25% of his award was based on Unum Group performance and 75% on Colonial Life performance. For Mr. Best, his award was prorated based on 25% Unum Group and 75% Unum US performance for the first two months of 2010 and 100% Unum Group performance for the remaining ten months of 2010, as a result of his position change from EVP, Chief

Operating Officer, Unum US to EVP, Global Services (formerly called Global Business Technology).

For Messrs. McCarthy, Best and Horn, basing a portion of annual incentive awards on the performance of Unum Group best reflects the contribution each makes to the effective management of the total company.

Does the Committee take into consideration any exceptions when determining company performance?

When the Committee set the performance measures and weightings for 2010, it did not change the list of items that could be excluded from the calculation of the company s performance for purposes of the annual and long-term incentive plans. Among these items were:

- Reserve adjustments resulting from accounting or regulatory law changes that were not included in the 2010 financial plan;
- The impact of any acquisitions, divestitures, or block reinsurance transactions not included in the 2010 financial plan;
- The effect of any regulatory, legal or tax settlements not included in the 2010 financial plan;
- The impact of fluctuating foreign currency exchange rates not already assumed in the 2010 financial plan;
- Debt issuance, repurchasing or retirement; or stock repurchase or issuance not included in the 2010 financial plan; and
- Fees or assessments, including tax assessments, from new legislation not included in the basic 2010 financial plan.

In measuring financial results for 2010, the Committee excluded the impact of the following items not included in the 2010 financial plan:

- The variance in foreign currency exchange rates from those assumed in the 2010 financial plan; and
- The first quarter of 2010 tax charge of $10.2 million recorded as a result of the impact of the tax law change related to the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

In measuring financial results for 2010, the Committee did not exclude the impact of the September 2010 issuance of $400.0 million of unsecured senior notes and the 2010 repurchases of Unum Group common stock totaling $356.0 million because these items generally offset each other and the net impact of these items combined was not considered as having a material impact on the incentive plan targets.

How did the Committee determine the total earned incentive award in 2011 to each named executive officer for 2010 performance?

As described in this section, the Committee considers company (including business unit) and individual performance when determining annual incentive award amounts for named executive officers.

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Company and Business Unit Performance

In determining company and business unit performance percentages, the Committee evaluates performance against each of the targets listed on page 61. The Committee may also take into account other factors, including economic considerations as well as non-financial goals. Based on the review of performance, the Committee approved the payments outlined in the table below, by certifying that the performance of Unum Group was above plan at 102%; Unum US was above plan at 109%; and Colonial Life was below plan at 90%.

Individual Performance

In arriving at the individual performance percentage for Mr. Watjen, the Committee considers the overall performance of the company, input from the company s 360 degree review process, the Board s assessment of his performance, and Mr. Watjen s self-assessment of his own performance.

In determining the individual performance percentage of each other named executive officer, the Committee considers both the company and the individual s business unit results, as well as individual contributions to those results, input from the company s 360 degree review process, Mr. Watjen s assessment and feedback of the individual s performance, the Board s assessment of the individual s performance and the individual s self-assessment of his own performance.

Specific highlights of each named executive officer s individual performance for 2010 are included in the executive profiles beginning on page 76.

Annual Incentive Paid in 2011

Executive	Eligible Earnings ($)		2010 Incentive Target (%)		Company Performance (%)		Individual Performance (%)		2010 Annual Incentive Paid ($)
Mr. Watjen	$1,100,000	X	150%	X	102%(1)	X	110%	=	$1,851,300
Mr. McKenney	650,000	X	100%	X	102%(1)	X	110%	=	729,300
Mr. McCarthy	565,000	X	100%	X	107%(2)	X	125%	=	757,453
Mr. Best	515,000	X	90%	X	103%(3)	X	114%	=	543,226
Mr. Horn	475,000	X	80%	X	93%(4)	X	100%	=	353,400

(1) Company performance for Messrs. Watjen and McKenney is based on Unum Group achievement of 102%.

(2) Mr. McCarthy had a 75% Unum US and 25% Unum Group performance split. Unum US achievement was 109% and Unum Group achievement was 102%, which when weighted, is an achievement of 107.25%.

(3) Mr. Best had a 75% Unum US and 25% Unum Group performance split for the first two months of 2010 in which he held the position of EVP, Chief Operating Officer, Unum US. Mr. Best s award was based on 100% Unum Group performance coinciding with his position change to EVP, Global Services (formerly called Global Business Technology) for the remaining 10 months of 2010. Unum US achievement was 109% and Unum Group achievement was 102%. The weighted average achievement is 102.808%.

(4) Mr. Horn had a 75% Colonial Life and 25% Unum Group performance split. Colonial Life achievement was 90% and Unum Group achievement was 102%, which when weighted, is an achievement of 93%.

Long-Term Incentive Awards

As previously outlined, our goal is to align the long-term interests of management and shareholders. The long-term incentive plan creates this alignment by tying a substantial portion of the executive s compensation directly to the company s stock price. The awards, which are a combination of stock options and performance-based restricted stock units, are granted under the Stock Incentive Plan of 2007.

What form of long-term incentive awards are paid to named executive officers?

We currently provide a mix of restricted stock units and stock options as part of our long-term incentive plan for named executive officers. Seventy-five percent of the award is granted as restricted stock units and 25% is granted as stock options. This mix was based on a review of peer practices and ensures that a portion of each executive s compensation is tied to the increase of our stock price over the long term.

Mr. Watjen s current ownership stake of 22.8 times his salary is far in excess of the ownership guidelines for the CEO. In the interest of prudent risk management, and given his significant ownership, in 2009 the Board recommended to Mr. Watjen that he take steps to slow the growth of his stock ownership. As a result, Mr. Watjen entered into 10b5-1 plans for one-year terms in 2009 and 2010, each providing for the sale of 50,000 shares at a certain stock price each quarter during the term of the plan. In addition, beginning with his February 2010 grant, the Committee made the decision that 50% of Mr. Watjen s restricted stock unit grants will be settled in cash with the remaining 50% continuing to be settled in stock.

What are restricted stock units?

Restricted stock units, granted on the basis of company and individual performance, are valued in terms of company stock but no actual stock is issued at the time of grant. Instead, company stock is issued only when the grant is settled. Restricted stock units differ from restricted stock in two ways:

- Dividends are not paid in the form of cash on a quarterly basis, but rather as additional restricted stock units; and
- There are no shareholder voting rights unless and until the award is settled in shares.

The process of dividend reinvestment associated with restricted stock units helps achieve our objective of closely aligning named executive officers compensation with shareholder interests.

Is there a company performance threshold established for the long-term incentive awards similar to that in place for the annual incentive?

Yes. As is the case with the Executive Officer Incentive Plan, for 2010 the company performance threshold established by the Committee for the long-term incentive plan was after-tax operating earnings of $394.4 million, or approximately two times the amount of after-tax operating earnings needed to pay dividends and cover interest on our recourse debt. The company successfully achieved the threshold allowing for funding of the long-term incentive plan. As a result, each named executive officer became eligible to receive the maximum award, set by the Committee, for the 2010 performance year. If the threshold had not been achieved, the plan would not have been funded and none of the named executives would have been eligible for an award under the plan.

How does the long-term incentive plan work?

Once the performance threshold is met and the plan is funded, the Committee considers the company s performance against the targets listed on page 67. In arriving at the company performance achievement percentage, other factors may also be taken into consideration by the Committee, including economic and relative performance considerations as well as the achievement of non-financial goals.

As shown in the table below, the individual s long-term incentive target is multiplied by the corporate performance percentage and then by the individual performance percentage to reach the overall long-term incentive award. The value of the long-term incentive award is then delivered 75% as restricted stock units and 25% as stock options. The awards vest based on the named executive officer s continued service over a three-year period.

This structure serves both objectives of our compensation philosophy: the retention of key executives and linking compensation to performance. The one-year performance goals that determine the awards to be granted give our named executive officers strong incentives to meet corporate performance objectives. At the same time, the three-year vesting requirement both helps us retain the named executive officer and links the value of the award to the performance of the company during that period.

LONG-TERM INCENTIVE FORMULA

Beginning of Each Year	**Application of Long-Term Incentive Criteria/ Award Determination**							**Final Review by the Committee**
Threshold and Target performance goals set and approved by the Committee	Long-Term Incentive Target for Position[1] ($)	**X**	Company Performance (%)	**X**	Individual Performance (%)	**=**	Long-term Incentive[2] ($)	[3]

(1) Target incentive for position is individually determined and detailed below for each named executive officer.

(2) Long-term incentive is delivered in the form of 75% restricted stock units and 25% stock options.

(3) The Committee exercises discretion as to the final payment considering all performance factors, including, but not limited to, the quality of financial results and personal contributions to these results.

What were the individual long-term incentive targets for each named executive officer?

Each year at its February meeting, the Committee sets an individual target for each named executive officer based on the approximate median of the comparison group. The Committee also considers each individual s target relative to other named executive officers, given their respective levels of responsibility. These targets are set as a percentage of base salary for each named executive officer.

For 2010, the long-term incentive targets for the named executive officers were: 400% for Mr. Watjen; 150% for Messrs. McCarthy and McKenney; 125% for Mr. Best; and 100% for Mr. Horn.

What were the company performance targets for long-term incentive awards?

Each year at its February meeting, the Committee establishes corporate performance measures for the long-term incentive award plan. Much like the annual incentive plan, each factor is then weighted based on its relative importance to the company or business unit as well as on its potential impact on shareholder returns.

In addition to disclosing the 2010 grants for performance in 2009 in the Summary Compensation Table and the Grants of Plan-Based Awards table as required by SEC rules, we are also disclosing the long-term incentive awards granted in February 2011 for 2010 performance.

In February 2010, the Committee granted long-term incentive awards based on 2009 performance. The corporate performance factors, weightings and targets for 2009 were:

2010 Long-Term Incentive for 2009 Performance Award Targets

Corporate Performance Factors Unum Group	Component Weighting	Target
Before-tax operating earnings (excluding realized investment gains and losses)	40%	$ 1,264.1 million
Return on equity	40%	11.60%
Revenue	20%	$ 10,299.5 million

In February 2011, the Committee granted long-term incentive awards for 2010 performance. The corporate performance factors, weightings and targets for 2010 were:

2011 Long-Term Incentive for 2010 Performance Award Targets

Corporate Performance Factors Unum Group	Component Weighting	Target
After-tax operating earnings	40%	$ 887.6 million
Return on equity	40%	10.90%
Revenue	20%	$ 10,222.0 million

Why were these performance targets selected?

The Committee believes these performance targets represent long-term drivers of shareholder value. Consistent with our annual incentive plan, each measure is weighted based on its relative importance to the achievement of the company s long-term business plan:

Value creation is measured on the basis of growth, profitability and effective capital management;

Long-term growth is measured using overall company revenue as the target; and

Capital management effectiveness is measured using return on equity.

For 2009, profitability achievement was measured using pre-tax operating income. For 2010, after tax operating income was selected as a performance measure to replace pre-tax operating income to more closely align with measures used by external stakeholders to evaluate our company s performance.

How is individual performance considered for long-term incentive grants?

The Committee evaluates individual performance by considering company performance, individual contributions to those results, input from the company s 360 degree review process, a self assessment of performance and a formal evaluation by the Board of Directors. In the case of other named executive officers, Mr. Watjen s recommendation is also considered.

What were the individual long-term incentive grants for 2009 performance?

The Committee assessed the company s performance and compared the actual corporate results to the targets established for each measure to arrive at the corporate performance percentage. The Committee then determined an individual performance percentage for each named executive officer based on an assessment of individual performance (described on the previous page). The award amount was then calculated and expressed in U.S. dollars. Finally, 75% of the award was converted to a number of restricted stock units using the closing price of the stock on the grant date. The remaining 25% was converted to stock options based on the Black-Scholes value of the stock options on the grant date.

In February 2010, based on 2009 performance, the Committee approved grants of restricted stock units and stock options for the named executive officers as outlined in the Grants of Plan Based Awards table and in the following table:

LONG-TERM INCENTIVE GRANTED IN 2010(1) (Based on Performance in 2009)

Executive	2009 Long-Term Incentive Target	2009 Long-Term Incentive Target		Company Performance		Individual Performance		2009 Long-Term Incentive Granted	Shares of Restricted Stock Units Granted (Feb. 2010)	Stock Options Granted (Feb. 2010)
	(% of Salary)	($)		(%)		(%)		($)	(#)	(#)
Mr. Watjen(2)	400%	$ 4,400,000	X	110%	X	115%	=	$ 5,566,000	200,890	153,927
Mr. McKenney(3)	150%	975,000	X	110%	X	100%	=	975,000	35,190	26,963
Mr. McCarthy	150%	847,500	X	110%	X	125%	=	1,165,313	42,059	32,227
Mr. Best	125%	643,750	X	110%	X	110%	=	778,938	28,114	21,541
Mr. Horn	100%	475,000	X	110%	X	110%	=	574,750	20,744	15,895

(1) The 2009 long-term incentive was granted in February 2010 based on performance in 2009. The actual fair market value of the grant differs slightly based on the rounding of shares:

Mr. Watjen	$ 5,565,994
Mr. McKenney	$ 974,994
Mr. McCarthy	$ 1,165,318
Mr. Best	$ 778,940
Mr. Horn	$ 574,751

(2) Of the 75% portion of Mr. Watjen s long-term incentive award that was paid in restricted stock units, 50% will be settled in stock and 50% will be settled in cash upon vesting.

(3) Mr. McKenney was eligible for a pro-rated long-term incentive award based upon corporate and individual performance. As part of his employment offer, for the 2009 performance year only, the company guaranteed a target award ($975,000).

Did the Committee take into consideration any exceptions when determining company performance for purposes of the 2010 grants based on 2009 performance?

In measuring financial results for 2009, the Committee excluded only the impact of fluctuating currency exchange rates not already assumed in the 2009 financial plan.

What were the individual long-term incentive grants for 2010 performance?

The Committee assessed the company s performance and compared the actual corporate results to the targets established for each measure to arrive at the corporate performance percentage. The Committee then determined an individual performance percentage for each named executive officer based on an assessment of individual performance (described on the previous page). The award amount was then calculated and expressed in U.S. dollars. Finally, 75% of the award was converted to a number of restricted stock units using the closing price of the stock on the grant date. The remaining 25% was converted to stock options based on the Black-Scholes value of the stock options on the grant date.

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In February 2011, based on 2010 performance, the Committee approved grants of restricted stock units and stock options for the named executive officers as outlined in the following table:

LONG-TERM INCENTIVE GRANTED IN 2011[1] (Based on Performance in 2010)

Executive	2010 Long-Term Incentive Target	2010 Long-Term Incentive Target		Company Performance		Individual Performance		2010 Long-Term Incentive Granted	Shares of Restricted Stock Units Granted (Feb. 2011)	Stock Options Granted (Feb. 2011)
	(% of Salary)	($)		(%)		(%)		($)	(#)	(#)
Mr. Watjen	400%	$ 4,400,000	X	109%	X	121%	=	$ 5,803,160	165,552[2]	123,682
Mr. McKenney	150%	975,000	X	109%	X	115%	=	1,222,163	34,866	26,048
Mr. McCarthy	150%	847,500	X	109%	X	125%	=	1,154,719	32,942	24,610
Mr. Best	125%	643,750	X	109%	X	110%	=	771,856	22,019	16,450
Mr. Horn	100%	475,000	X	109%	X	100%	=	517,750	14,770	11,035

(1) The 2010 long-term incentive was granted in February 2011 based on performance in 2010. The fair market value of the long-term incentive grant differs slightly based on the rounding of shares:

Mr. Watjen	$ 5,803,152
Mr. McKenney	$ 1,222,170
Mr. McCarthy	$ 1,154,720
Mr. Best	$ 771,839
Mr. Horn	$ 517,744

(2) Of the 75% portion of Mr. Watjen s long-term incentive award that was paid in restricted stock units, 50% will be settled in stock and 50% will be settled in cash upon vesting.

Did the Committee take into consideration any exceptions when determining company performance for purposes of the 2011 grants based on 2010 performance?

In measuring financial results for 2010, the Committee excluded the impact of the following items not included in the 2010 financial plan:

- The variance in foreign currency exchange rates from those assumed in the 2010 financial plan; and

- The first quarter of 2010 tax charge of $10.2 million recorded as a result of the impact of the tax law change related to the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010.

In measuring financial results for 2010, the Committee did not exclude the impact of the September 2010 issuance of $400.0 million of unsecured senior notes and the 2010 repurchases of Unum Group

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common stock totaling $356.0 million because these items generally offset each other and the net impact of these items combined was not considered as having a material impact on the incentive plan targets.

Did the Committee make changes to any individual long-term incentive award targets for 2011 performance?

In February 2011, based on a review of the approximate median of market data (i.e., the Proxy Peer Group and the Diversified Insurance Study) as well as corporate and individual performance, the Committee increased Mr. Watjen s long-term incentive target from 400% ($4.4 million) to 455% ($5 million) beginning with 2011 performance. This is the first increase in any element of his target compensation in 3 years.

Equity Performance Grant

An Equity Performance Grant was approved by the Board of Directors in 2007 and reported in our 2008 Proxy Statement. This special grant of performance-based restricted stock units was granted to approximately 50 key officers who, through their performance and leadership, were identified as being able to truly impact Unum s ability to achieve ongoing corporate objectives.

Grant recipients, including Messrs. Watjen, McCarthy, Best and Horn (Mr. McKenney was not an employee at the time of the grant), are eligible to receive restricted stock units upon vesting over three different periods, based on performance between 2007 and December 31, 2011. In order for the grants to vest in any period, these two factors must be met:

- Achievement of thresholds for financial plan performance, risk-based capital, assessments by rating agencies and regulatory compliance; and

- Once the above thresholds are achieved, the percentage vesting is based on a schedule of the highest closing stock price attained for 20 consecutive business days, beginning at $26 per share.

The Committee reviewed the plan performance on February 22, 2011 and confirmed the achievement of the four performance thresholds. However, no vesting occurred because the required stock price appreciation had not been achieved. Since the plan requires that the threshold goals must be met and maintained, the Committee will provide a final review of plan performance through 2011 in February 2012. If, at that time, the Committee confirms that all thresholds have continued to be maintained for the remaining performance period, the restricted stock units will vest in accordance with the stock price appreciation schedule and will be awarded to grant recipients accordingly. If, however, any performance threshold is not met for the remaining performance period or the required stock price appreciation has not occurred, the restricted stock units will expire and be forfeited as of December 31, 2011.

Retirement and Workplace Benefits

What employee benefits does the company provide its named executive officers and other employees?

We provide a benefits package for employees and their dependents, portions of which are paid for, in whole or in part, by the employee. Benefits include: life, health, dental, vision, and disability insurance; pension; 401(k); dependent and healthcare reimbursement accounts; tuition reimbursement; an employee stock purchase plan; paid time off; holidays; and a matching gifts program for charitable contributions. Named executive officers have the same benefits package as other employees.

In April 2000, the company purchased corporate owned life insurance (COLI) on all officers who gave their approval. In the event of death while still employed, the company provides a death benefit to the executive s beneficiary in the amount of $200,000 (this amount is shown in the appropriate column of the Termination Table on page 105). Of the named executive officers, Messrs. Horn and McKenney were not employees of the company at that time, and therefore they are not covered under a COLI policy.

What types of retirement plans does the company offer?

We sponsor a tax-qualified, defined benefit pension plan. We also provide a non-qualified pension plan for employees whose benefits under the tax-qualified plans are limited by the Internal Revenue Code. Base pay and annual incentive awards are counted toward the defined benefit pension plans; long-term incentives are not. In addition to the qualified and non-qualified pension plans, Mr. Watjen also has a supplemental executive retirement plan under the terms of his employment agreement. He has been covered under this plan since 2000 and is the only active employee covered under the plan.

In addition, Unum provides a tax-qualified, 401(k) retirement plan for all regular employees who are scheduled to work at least 1,000 hours per year. This plan provides funded, tax qualified benefits up to the limits on compensation and benefits under the Internal Revenue Code. Unum provides up to a 4% company match for those employees who contribute to the plan and have completed one year of service.

For a complete description of pension benefits for the named executive officers, please see the 2010 Pension Benefits section beginning on page 95.

Perquisites and Other Personal Benefits

The company provides a limited number of perquisites, which are described below:

Many states require non-residents to pay state income taxes if a certain amount of time is spent in that state. Due to the frequency of travel between Unum s corporate offices and other locations, named executive officers often incur non-resident state taxes in multiple states. A tax gross-up is provided for non-resident state taxes when any employee travels to other company locations outside of their primary state of employment and incurs state income tax based on another state s law (see footnote (f) to the All Other Compensation table on page 87 for additional details).

Given the demands of the job, when Mr. Watjen has to travel, we believe the use of corporate aircraft allows him to most efficiently utilize his time. Mr. Watjen voluntarily elected to discontinue his company paid benefit of up to 40 personal hours per year (with no gross-up) on June 30, 2009. Mr. Watjen continues to use the time-sharing agreement with the company and reimburses the company for all expenses associated with this type of travel. Refer to page 81 for more information.

The company hosts a limited number of events each year to recognize the contributions of employees at all levels in the organization. These functions serve specific business purposes, with very clear guidelines for attendance and content, including community outreach activities in the location of each significant event. While the focus of these events is on recognizing the contributions of a broad group of employees, for some of these events, attendance of a named executive officer and his spouse or guest is expected. When this occurs, the company attributes income to the named executive officer for his attendance and the attendance of his spouse or guest, when required under Internal Revenue Service regulations. Because the company considers these events to be business functions, a tax gross-up is provided on the income attributed to these events.

A detailed table of all other compensation for 2010, including executive perquisites, is included as footnote (5) to the Summary Compensation Table on page 86.

Executive Compensation Summaries

All of the various elements of pay have been previously outlined in this document. The individual profile summaries for each named executive officer, beginning on page 76, provide a clear picture of the pay for 2010 based on the Committee s assessment. Additionally, on each page you will find highlights of each named executive officer s individual performance for the year.

Total Compensation

The Summary Compensation Table on page 86 provides an overview of executive compensation. However, because the Summary Compensation Table takes into consideration the actuarial increase of the present value of pension benefits and shows the long-term incentive granted during 2010 (for 2009 performance), we have included a supplemental table below as well as in each of the following executive profiles that provides an overview of the principal elements of executive pay as the Committee considers it when making compensation decisions. Please note that the supplemental table below and the tables on each profile page are not substitutes for the required Summary Compensation Table.

2010 AND 2009 TOTAL COMPENSATION[(1)]

Executive	Year	Salary	Annual Incentive[(2)]	Long-Term Incentive[(3)]	All Other Compensation[(4)]	Total
Mr. Watjen	2010	$1,100,000	$1,851,300	$5,803,152	$75,486	$8,829,938
	2009	1,108,461	2,007,700	5,565,994	109,807	8,791,962
Mr. McKenney	2010	650,000	729,300	1,222,170	31,023	2,632,493
	2009	300,000	650,000	974,994	72,235	1,997,229
Mr. McCarthy	2010	565,000	757,453	1,154,720	47,380	2,524,553
	2009	569,346	747,267	1,165,318	34,421	2,516,352
Mr. Best	2010	515,000	543,226	771,839	15,588	1,845,653
	2009	518,961	539,460	778,940	18,463	1,855,824
Mr. Horn	2010	475,000	353,400	517,744	47,616	1,393,760
	2009	478,654	401,208	574,751	59,701	1,514,314

(1) The amounts in the table reflect the principal elements of the named executive officers compensation for 2010 and 2009 that the Committee considered when they made these compensation decisions.

(2) For 2010 performance, the annual incentive amounts were determined by the Committee in February 2011 and paid in March 2011. For 2009 performance, the annual incentive amounts were determined by the Committee in February 2010 and paid in March 2010. The long-term incentive is shown at the fair market value of the RSUs and stock options on the date of grant as described on page 68.

(3) The long-term incentive amounts were determined by the Committee and granted in February 2011 based on the 2010 performance and in February 2010 based on 2009 performance.

(4) The all other compensation amounts paid in 2010 are further detailed in the All Other Compensation table on page 87 and the Summary Compensation Table on page 86. The all other compensation amounts paid in 2010 were reported in the All Other Compensation table and the Summary Compensation Table in our 2010 Proxy Statement.

Compensation Reconciliation

The following table reconciles the 2010 compensation information reported for each named executive officer in the Summary Compensation Table to the 2010 compensation information provided in each named executive officer s profile page. The profile pages detail the components the Committee considers in its compensation decision-making.

COMPENSATION RECONCILIATION

Executive	**Summary Compensation Table**	**2010 Long-Term Incentive**[1]	**2009 Long-Term Incentive**[2]	**Change in Pension Value and Non-Qualified Deferred Compensation**[3]	**2010 Total Compensation**
	Total	Add	Subtract	Subtract	Total
Mr. Watjen	$11,484,780	$5,803,152	($5,565,994)	($2,892,000)	$8,829,938
Mr. McKenney	2,455,317	1,222,170	(974,994)	(70,000)	2,632,493
Mr. McCarthy	3,552,459	1,154,720	(1,165,318)	(1,017,308)	2,524,553
Mr. Best	2,337,754	771,839	(778,940)	(485,000)	1,845,653
Mr. Horn	1,631,767	517,744	(574,751)	(181,000)	1,393,760

(1) 2010 Long-Term Incentive was granted in February 2011 for performance in 2010. The amount shown in this table is the fair market value of the LTI grant which is slightly different than the award shown in the Long-Term Incentive Granted in 2011 table (on page 70) based on the rounding of shares.

(2) 2009 Long-Term Incentive was granted in February 2010 for performance in 2009. The amount shown in this table is the fair market value of the LTI grant which is slightly different than the award shown in the Long-Term Incentive Granted in 2010 table (on page 69) based on the rounding of shares.

(3) The actuarial increase of the present value of pension benefits is subtracted since the Committee does not consider this to be a principal element of compensation when making compensation decisions.

Thomas R. Watjen *President and Chief Executive Officer*

Mr. Watjen has been President and Chief Executive Officer since March 2003. He served as Vice Chairman and Chief Operating Officer from May 2002 until March 2003. He became Executive Vice President, Finance in June 1999. Mr. Watjen has 17 years of service with the company.

Individual Performance

In assessing Mr. Watjen s performance for 2010, the Committee noted that he has:

Delivered generally strong results when measured against key goals, including operating performance, capital targets, customer satisfaction, employee engagement, social responsibility and shareholder return;

Ensured the company is well positioned to meet the changing needs in the business, and continued to make appropriate adjustments to business plans; and

Made critical personnel decisions and continued to raise the visibility of people and leadership development within the company, including succession planning at all levels.

Pay for 2010 Performance

Mr. Watjen s total compensation is linked directly to both company and individual performance.

Base salary earnings for 2010: $1,100,000 The Committee decided not to grant a base salary increase for 2010 given the economic environment.

Annual Incentive for 2010 performance: $1,851,300 Mr. Watjen s annual incentive target was 150% of his salary. Details on how annual incentive is calculated begin on page 60.

Long-term Incentive for 2010 performance: $5,803,152 Mr. Watjen s long-term incentive target was 400% of his salary. Details on how long-term incentive is calculated begin on page 66.

2010 and 2009 Compensation

The annual and long-term incentive amounts shown in the table below reflect the Committee s view of compensation decisions based on the performance year, regardless of the year in which the amounts were actually paid. A reconciliation of these to the Summary Compensation Table is located on page 75.

Performance Year	Eligible Earnings	Annual Incentive	Long-Term Incentive	All Other Comp.(1)	Total
2010	$1,100,000	$1,851,300	$5,803,152	$75,486	$8,829,938
2009	1,108,461	2,007,700	5,565,994	109,807	8,791,962

(1) For details of the All Other Comp. column, see the table located on page 87; the 2009 All Other Comp. details can be found in the 2010 Proxy Statement.

Note: This is not a substitute for the Summary Compensation Table.

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Richard P. McKenney *EVP and Chief Financial Officer*

Mr. McKenney joined our company on July 20, 2009 as Executive Vice President and assumed the position of Chief Financial Officer effective August 10, 2009. He was previously Executive Vice President and Chief Financial Officer of Sun Life Financial, and Senior Vice President and Chief Financial Officer for Genworth Financial.

Individual Performance

In assessing Mr. McKenney s performance for 2010, the Committee noted that he has:

Played a significant role in helping to ensure the company met its goals while also helping the businesses position themselves to capitalize on long-term growth opportunities;

Developed and implemented a capital management strategy, including appropriate common stock dividend increases and share repurchases. Accomplished this while maintaining or enhancing the company s credit ratings; and

Continued to assess corporate development opportunities to complement internal growth plans.

Pay for 2010 Performance

Mr. McKenney s total compensation is linked directly to both company and individual performance.

Base salary earnings for 2010: $650,000 The Committee decided not to grant a base salary increase for 2010 given the economic environment.

Annual Incentive for 2010 performance: $729,300 Mr. McKenney s annual incentive target was 100% of his salary. Details on how annual incentive is calculated begin on page 60.

Long-term Incentive for 2010 performance: $1,222,170 Mr. McKenney s long-term incentive target was 150% of his salary Details on how long-term incentive is calculated begin on page 66.

2010 and 2009 Compensation

The annual and long-term incentive amounts shown in the table below reflect the Committee s view of compensation decisions based on the respective performance year, regardless of the year in which the amounts were actually paid. A reconciliation of these amounts to the Summary Compensation Table is located on page 75.

Performance Year	Eligible Earnings	Annual Incentive	Long-Term Incentive	All Other Comp.(1)	Total
2010	$650,000	$729,300	$1,222,170	$31,023	$2,632,493
2009	300,000	650,000	974,994	72,235	1,997,229

(1) For details of the All Other Comp. column, see the table located on page 87; the 2009 All Other Comp. details can be found in the 2010 Proxy Statement.

Note: This is not a substitute for the Summary Compensation Table.

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Kevin P. McCarthy *EVP, President and CEO, Unum US*

Mr. McCarthy has been Executive Vice President, President and Chief Executive Officer, Unum US, since 2007. He has been with the company for 31 years, including serving as Executive Vice President of Risk Operations and Senior Vice President of Underwriting, along with other leadership positions.

Individual Performance

In assessing Mr. McCarthy s performance for 2010, the Committee noted that he has:

Delivered solid results when measured against key business goals, including financial performance, customer acquisition and retention, and employee engagement and development;

Continued to position the business to maintain its market leadership position with an emphasis on disciplined growth, and innovative product and service offerings; and

Maintained an active role in helping to guide strategy throughout the company.

Pay for 2010 Performance

Mr. McCarthy s total compensation is linked directly to both company and individual performance.

Base salary earnings for 2010: $565,000 The Committee decided not to grant a base salary increase for 2010 given the economic environment.

Annual Incentive for 2010 performance: $757,453 Mr. McCarthy s annual incentive target was 100% of his salary. Details on how annual incentive is calculated begin on page 60.

Long-term Incentive for 2010 performance: $1,154,720 Mr. McCarthy s long-term incentive target was 150% of his salary. Details on how long-term incentive is calculated begin on page 66.

2010 and 2009 Compensation

The annual and long-term incentive amounts shown in the table below reflect the Committee s view of compensation decisions based on the respective performance year, regardless of the year in which the amounts were actually paid. A reconciliation of these amounts to the Summary Compensation Table is located on page 75.

Performance Year	Eligible Earnings	Annual Incentive	Long-Term Incentive	All Other Comp.(1)	Total
2010	$ 565,000	$ 757,453	$ 1,154,720	$ 47,380	$ 2,524,553
2009	569,346	747,267	1,165,318	34,421	2,516,352

(1) For details of the All Other Comp. column, see the table located on page 87; the 2009 All Other Comp. details can be found in the 2010 Proxy Statement.

Note: This is not a substitute for the Summary Compensation Table.

Robert O. Best *EVP, Global Services*

Mr. Best has been Executive Vice President, Global Services, since March 2010. He served as Executive Vice President and Chief Operating Officer, Unum US, from January 2007 until March 2010. He began his career with Colonial Life and had leadership roles with our predecessor companies, including Executive Vice President of our Client Service Center and Chief Information Officer.

Individual Performance

In assessing Mr. Best s performance for 2010, the Committee noted that he has:

Successfully launched the Global Services group whose mission is to enhance the quality and productivity of the company s IT and administrative platforms;

This organization achieved its 2010 goals and is positioned to have an even more meaningful impact in 2011; and

Continued to be a strong enterprise level contributor in the areas of risk management, people development and corporate social responsibility.

Pay for 2010 Performance

Mr. Best s total compensation is linked directly to both company and individual performance.

Base salary earnings for 2010: $515,000 The Committee decided not to grant a base salary increase for 2010 given the economic environment.

Annual Incentive for 2010 performance: $543,226 Mr. Best s annual incentive target was 90% of his salary. Details on how annual incentive is calculated begin on page 60.

Long-term Incentive for 2010 performance: $771,839 Mr. Best s long-term incentive target was 125% of his salary. Details on how long-term incentive is calculated begin on page 66.

2010 and 2009 Compensation

The annual and long-term incentive amounts shown in the table below reflect the Committee s view of compensation decisions based on the respective performance year, regardless of the year in which the amounts were actually paid. A reconciliation of these amounts to the Summary Compensation Table is located on page 75.

Performance Year	Eligible Earnings	Annual Incentive	Long-Term Incentive	All Other Comp.(1)	Total
2010	$ 515,000	$ 543,226	$ 771,839	$ 15,588	$ 1,845,653
2009	518,961	539,460	778,940	18,463	1,855,824

(1) For details of the All Other Comp. column, see the table located on page 87; the 2009 All Other Comp. details can be found in the 2010 Proxy Statement.

Note: This is not a substitute for the Summary Compensation Table.

Randall C. Horn *EVP, President and CEO, Colonial Life*

Mr. Horn has been Executive Vice President, President and Chief Executive Officer, Colonial Life, since 2004. He joined the company after a 27-year career with Mutual of Omaha, having served in several leadership roles including Executive Vice President of Individual Services and Executive Vice President of Group Benefit Services.

Individual Performance

In assessing Mr. Horn s performance for 2010, the Committee noted that Colonial Life:

Continued to meet many of its goals, especially in the areas of core market sales and persistency;

Successfully implemented several new sales and marketing initiatives; and

Took additional steps to better position the company for the future.

Pay for 2010 Performance

Mr. Horn s total compensation is linked directly to both company and individual performance.

Base salary earnings for 2010: $475,000 The Committee decided not to grant a base salary increase for 2010 given the economic environment.

Annual Incentive for 2010 performance: $353,400 Mr. Horn s annual incentive target was 80% of his salary. Details on how annual incentive is calculated begin on page 60.

Long-term Incentive for 2010 performance: $517,744 Mr. Horn s long-term incentive target was 100% of his salary. Details on how long-term incentive is calculated begin on page 66.

2010 and 2009 Compensation

The annual and long-term incentive amounts shown in the table below reflect the Committee s view of compensation decisions based on the respective performance year, regardless of the year in which the amounts were actually paid. A reconciliation of these amounts to the Summary Compensation Table is located on page 75.

Performance Year	Eligible Earnings	Annual Incentive	Long-Term Incentive	All Other Comp.(1)	Total
2010	$ 475,000	$ 353,400	$ 517,744	$ 47,616	$ 1,393,760
2009	478,654	401,208	574,751	59,701	1,514,314

(1) For details of the All Other Comp. column, see the table located on page 87; the 2009 All Other Comp. details can be found in the 2010 Proxy Statement.

Note: This is not a substitute for the Summary Compensation Table.

Contracts and Agreements

Employment Agreements

Mr. Watjen is the only named executive officer covered under an employment agreement. Under the terms of his agreement, Mr. Watjen is entitled to the following compensation:

- Base salary of $1,100,000;
- A target annual incentive of not less than 150% of his base salary, excluding any special or supplemental bonuses that may be awarded;
- Eligible for annual equity grants and/or cash-based awards as determined by the Committee;
- Participation in all saving, retirement, health and welfare benefit programs generally available to our other senior executive officers;
- A minimum annual retirement benefit equal to 2.5% of his final average earnings multiplied by his years of service up to 20 years;
- Post-retirement welfare benefit coverage for a period of three years following the date of termination; and
- A lump-sum payment representing the increase in present value of his retirement benefit as if he had accumulated three additional years of age and service.

Mr. Watjen s employment agreement, which was originally effective January 1, 2002, and amended on December 16, 2005, currently extends through December 16, 2012, and is subject to automatic one-year extensions unless either party gives notice of its intention not to renew at least 60 days prior to the extension date, which is the date that is one year prior to the expiration of the then-current term.

Mr. Watjen s agreement prohibits him from using or divulging confidential information and from competing with us or soliciting any officer at the level of vice president or above for a period of 18 months after his employment terminates. These non-competition and non-solicitation covenants would be terminated upon a change in control.

In 2007, the company entered into an aircraft time-sharing agreement with Mr. Watjen. Under this agreement, Mr. Watjen will reimburse the costs incurred by us beyond the first 40 hours of personal use by him each year of the corporate aircraft. As of June 30, 2009, Mr. Watjen voluntarily elected to discontinue use of the 40 hours the company provides. However, he retained the option to use his time-sharing agreement and reimburse the company for any costs. During 2010, he made payments to the company of $97,857 for a total of 46.5 hours of personal usage.

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Change in Control Agreements

Each of the named executive officers, other than Mr. Watjen, is covered by a change in control agreement with the company. Please refer to the Terminations Related to a Change in Control section beginning on page 99 for more information.

Severance and Change in Control Benefits

The company provides severance benefits to all employees in the event of involuntary termination, other than for death, disability or cause. Mr. Watjen s severance benefits are provided under his employment agreement and are described in detail on page 103. The remaining named executive officers are covered under our Separation Pay Plan for Executive Vice Presidents. In general, we provide severance in order to give our employees competitive benefits with respect to the possibility of an involuntary termination of their employment.

In the event of a termination following a change in control, we provide an enhanced severance benefit to Mr. Watjen and the other named executive officers. This is to ensure that shareholders have the benefit of our named executive officers undivided attention during the critical time before and after a major corporate transaction, even though the transaction may result in uncertainty with respect to the named executive officers employment. These benefits are defined for Mr. Watjen under his employment agreement, and for the other named executive officers in Change in Control Severance Agreements. We describe these agreements in further detail in the section entitled Terminations Related to a Change in Control beginning on page 99. On May 4, 2010, the company decided not to enter into any new or materially amended agreements with executive officers providing for excise tax gross-up provisions with respect to payments contingent upon a change in control.

Policies and Practices

Equity Grant Practices

How does Unum set dates for equity grants?

Equity grants awarded under the long-term incentive program are approved at the February meeting of the Committee, and the date of this meeting is typically set a year in advance. The date the equity grant is approved is considered the grant date, and as a result it is also the date upon which the stock price is based. This date is typically 2 to 3 weeks after the company s earnings are released to the public.

For employees who are not required by Section 16 of the Securities Exchange Act of 1934 to report their trades of Unum stock, the Human Capital Committee has authorized the CEO to make equity and deferred cash grants collectively totaling up to $500,000 per year (based on grant date value), and these grants are reported to the Committee annually. Mr. Watjen made restricted stock unit grants totaling $430,000 during 2010. All other equity grants must be approved by the Committee in advance of the grant.

Stock Ownership, Retention and Sale

What are Unum s policies regarding the retention of stock by its executives?

In order to align the long-term interests of management and shareholders and to promote a culture of ownership, we believe our senior executives should have a significant ownership stake in the company. With this in mind, certain senior executives including each named executive officer are required to retain a fixed percentage of the net shares (shares after tax withholding) received as compensation for a specified period of time. Both the percentage and time period are determined by the individual s position with the company. Exceptions to this requirement may be made only by the Board of Directors.

Mr. Watjen s current ownership stake of 22.8 times his salary is far in excess of the ownership guidelines for the CEO. In the interest of prudent risk management, and given his significant ownership, in 2009 the Board recommended to Mr. Watjen that he take steps to slow the growth of his stock ownership. As a result, Mr. Watjen entered into 10b5-1 plans for one-year terms in 2009 and 2010, each providing for the sale of 50,000 shares at a certain stock price each quarter during the term of the plan. In addition, beginning with his February 2010 grant, the Committee made the decision that 50% of Mr. Watjen s restricted stock unit grants will be settled in cash with the remaining 50% continuing to be settled in stock.

The following table presents, by position, Unum s stock ownership guidelines (expressed as a multiple of salary) and retention guidelines (expressed as a percentage of net shares to be held for a specified holding period). Shares of common stock and restricted stock units count toward ownership, but stock options do not. Newly promoted or newly hired executives have five years to achieve the ownership guidelines, while current executives have three. Our management provides a report annually to the Committee that shows how each named executive officer s ownership compares to the guidelines. Not

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meeting the guidelines may impact future equity grants. All of our named executive officers exceeded the guidelines as of December 31, 2010.

Stock Ownership and Requirements (as of December 31, 2010)

Executive	Common Stock[(1)]	Unvested Restricted Stock Units[(2)]	Total Current Ownership	Ownership as % of Salary Owned	Ownership as % of Salary Required	Retention Requirements Retention %[(3)]	Retention Requirements Holding Period[(4)]
Mr. Watjen	$13,937,593	$11,137,833	$25,075,426	22.8x	5x	75%	3 years
Mr. McKenney	944,943	3,760,300	4,705,243	7.2x	3x	60%	1 year
Mr. McCarthy	2,673,210	3,123,532	5,796,742	10.3x	3x	60%	1 year
Mr. Best	3,578,965	1,831,129	5,410,094	10.5x	3x	60%	1 year
Mr. Horn	1,420,794	1,338,203	2,758,997	5.8x	3x	60%	1 year

(1) Amount includes shares held in certificate form, brokerage accounts and 401(k) accounts. Shares were valued using a closing stock price of $24.22 on December 31, 2010.

(2) Shares/units were valued using a closing stock price of $24.22 on December 31, 2010. These shares/units will vest over the next three years (see the Vesting Schedule for Unvested Restricted Shares/Units table on page 92 for vesting schedule). The value of units shown here does not include any units which can be earned under the equity performance grant described on page 71.

(3) Retention percentage is the net percentage of shares to be held after the payment of taxes.

(4) After this holding period, the executive would then be able to sell the shares as long as his ownership guideline is met or would be reached in the time period allotted.

Hedging and Insider Trading Policies

Are there policies in place that prohibit or restrict the purchase or sale of stock by named executive officers?

Yes. We have established a policy that no director or executive officer, which includes our named executive officers, may purchase or sell options, puts, calls, straddles, equity swaps or other derivatives that are directly linked to Unum stock.

In addition, we have established an insider trading policy, which prohibits each of our directors, executive officers (including the named executive officers) and employees from buying or selling Unum stock while in possession of material nonpublic information about the company and from conveying any such information to others. Under this policy, additional trading restrictions apply to our named executive officers and other corporate insiders, which include all of our directors and executive officers, certain other employees and certain related parties of these persons (including family members sharing their households). Generally, these corporate insiders are permitted to buy or sell Unum stock only during predetermined window periods following earnings announcements, and only after they have pre-cleared the transactions with our General Counsel or his designee. Also under this policy, no corporate insider (including our named executive officers) may make short sales of Unum stock, and no director or executive officer may pledge Unum stock as security for a loan.

Recoupment Policy

Does the company have a policy for recouping performance-based compensation in the event of an earnings restatement?

If the company makes a material restatement of its financial results, then the Board will, to the extent permitted by applicable law, seek recoupment of performance-based compensation paid to any senior officer if it determines that: (1) the senior officer has committed or engaged in fraud or willful misconduct that resulted, either directly or indirectly, in the need to make such restatement; and (2) such performance-based compensation paid or awarded to the senior officer would have been a lesser amount if calculated using the restated financial results. The amount of performance-based compensation to be recouped will be determined by the Board after taking into account the relevant facts and circumstances. Performance-based compensation includes annual cash incentive awards, bonuses and all forms of equity compensation. The company s right to recoup compensation is in addition to other remedies that may be available to us under applicable law.

The Dodd-Frank Act, which contemplates an expansion of the reach of recoupment policies, was enacted into law in July 2010. The Securities and Exchange Commission is scheduled to provide rules and administrative guidance on requirements of this legislation during 2011. The Human Capital Committee will review the SEC rules and implement any necessary changes to our current recoupment policy at that time.

Tax and Accounting Considerations

Does the company take Section 162(m) of the Internal Revenue Code into account in designing its compensation programs?

Section 162(m) of the Internal Revenue Code places a limit of $1,000,000 per year on the amount of deductible compensation paid all named executive officers other than the CFO, unless the compensation satisfies the performance-based compensation exception to Section 162(m). The current annual incentive payout and long-term incentive grants are designed to be deductible under Section 162(m). From time to time, the Committee may pay compensation that is not deductible under Section 162(m) if it determines that paying such compensation is needed in order to attract, retain or provide incentive to our named executive officers.

What assumptions does the company make in accounting for stock awards?

We account for stock-based payments under the requirements of ASC Topic 718. A complete discussion of the assumptions made as well as the financial impact of this type of compensation can be found in Notes 1 and 10 of the Consolidated Financial Statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2010. Each year, the company provides a report to the Committee of the expense for stock-based payments. Additionally, in the event the Committee is considering new equity-based compensation programs or changes to existing programs, the accounting implications of the program or change are presented and discussed as part of the decision process.

Required Tables

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non- Equity Incentive Plan Compensation ($)	Change in Pension Value & Non-qualified Deferred Compensation Earnings	All Other Compensation ($)	Total ($)
Thomas R. Watjen President and Chief Executive Officer, and a Director	2010	$ 1,100,000	-	$ 4,174,494(1)	$ 1,391,500(2)	$ 1,851,300(3)	$ 2,892,000(4)	$ 75,486(5)	$ 11,484,780
	2009	1,108,461	-	3,201,303	1,067,092	2,007,700	1,884,000	109,807	9,378,363
	2008	1,094,902	-	4,291,883	2,930,628	2,268,750	1,527,000	149,815	12,262,978
Richard P. McKenney Executive Vice President and Chief Financial Officer	2010	650,000	-	731,248(1)	243,746(2)	729,300(3)	70,000(4)	31,023(5)	2,455,317
	2009	300,000	$ 635,000	2,999,994	-	315,000	13,000	72,235	4,335,229
Kevin P. McCarthy Executive Vice President, President and Chief Executive Officer, Unum US	2010	565,000	-	873,986(1)	291,332(2)	757,453(3)	1,017,308(4)	47,380(5)	3,552,459
	2009	569,346	-	1,515,299	305,101	747,267	660,927	34,421	3,832,361
	2008	560,401	-	804,739	468,246	689,293	483,384	56,750	3,062,813
Robert O. Best Executive Vice President, Global Services	2010	515,000	-	584,209(1)	194,731(2)	543,226(3)	485,000(4)	15,588(5)	2,337,754
	2009	518,961	-	637,311	212,439	539,460	325,000	18,463	2,251,634
	2008	511,234	-	588,610	296,202	532,923	267,000	28,742	2,224,711
Randall C. Horn	2010	475,000	-	431,060(1)	143,691(2)	353,400(3)	181,000(4)	47,616(5)	1,631,767
	2009	478,654	-	448,876	149,627	401,208	120,000	59,701	1,658,066

Executive Vice President, President and Chief Executive Officer, Colonial Life	2008	471,234	-	485,602	261,867	425,053	91,000	98,291	1,833,047

(1) The grant date fair value of stock awards for restricted stock units on February 25, 2010 was calculated as the number of units multiplied by the closing market price of $20.78 on the grant date. This amount represents 75% of the long-term incentive granted to each named executive for performance in 2009. For Mr. Watjen, this amount will be 50% stock settled and 50% cash settled upon vesting.

(2) This amount represents 25% of the long-term incentive granted to each named executive on February 25, 2010 for performance in 2009. The weighted average grant date fair value of options granted during 2010, 2009 and 2008 was $9.04, $4.45 and $8.84, respectively. We estimated the fair value on the date of grant using the Black-Scholes valuation model. The following assumptions were used to value the 2010, 2009 and 2008 grants:

(a) Expected volatility of 55%, 50% and 43%, respectively, based on our historical daily stock prices;

(b) Expected life of 5 years, based on historical average years to exercise;

(c) Expected dividend yield of 1.59%, 1.68% and 1.3%, respectively, based on the dividend rate at the date of grant; and

(d) Risk-free rate of 2.33%, 1.89% and 2.93%, respectively, based on the yield of treasury bonds at the date of grant.

(3) Amounts reflect the annual incentive awards granted in February 2011 for performance in 2010. These are discussed in further detail beginning on page 59 under the Annual Incentive Awards heading.

(4) The amounts shown reflect the actuarial increase in present value since December 31, 2009 of the named executive officer s benefits under all pension plans established by the company. The amounts were determined using interest rate and mortality rate assumptions consistent with those used in the company s financial statements (see Note 8 of our Consolidated Financial Statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2010, for those assumptions or within footnote 1 to the Pension Benefits table on page 95). The amount reported for Mr. McCarthy also includes the amount of above-market interest that exceeds 120% of the applicable federal long-term rate prescribed under section 1274(d) of the Internal Revenue Code. During 2010, that amount was $1,308.12.

(5) All Other Compensation amounts are included within the following table:

2010 All Other Compensation

	Mr. Watjen	Mr. McKenney	Mr. McCarthy	Mr. Best	Mr. Horn
Tax Reimbursement Payments[(a)]	$7,906	$199	$401	$51	$13,608
Personal Use of Company Aircraft[(b)]	-	-	2,440	-	-
Employee and Spouse/ Guest Attendance at Company Business Functions[(c)]	9,263	-	-	-	27,037
Total Perquisites	$17,169	$199	$2,841	$51	$40,645
Matching Gifts Program[(d)]	$3,750	$7,500	$7,500	$2,300	$5,700
Matching Contributions Under our 401(k) Retirement Plan[(e)]	9,800	9,800	9,800	9,800	-
Non-Resident State Taxes[(f)]	44,767	13,524	27,239	3,437	1,271
Total All Other Compensation	$75,486	$31,023	$47,380	$15,588	$47,616

(a) The amounts shown in this row represent tax payments made by Unum on behalf of each named executive officer relating to other items in this table.

(b) Executives are encouraged to share their leadership abilities by serving on outside boards. Mr. McCarthy s personal usage was related to his service on an outside board. The aircraft was en route between the Chattanooga and Portland locations with other executives and made an additional stop to take Mr. McCarthy to and from his outside board meeting, allowing Mr. McCarthy to expedite his trip in order to attend to Unum company business. The amount shown is the incremental cost of the additional 2.5 hours of flight time as a result of the extra stops. For purposes of compensation disclosure, the personal use of company aircraft is valued using an incremental cost that takes into account fuel costs, landing fees, parking, weather monitoring and maintenance fees per hour of flight. Crew travel expenses are included based on the actual amount incurred for a particular trip. Fixed costs that do not change based on usage, such as pilot salaries and depreciation of the aircraft, are excluded. Mr. Watjen is allowed a maximum of 40 hours per year of personal use of company aircraft, although he voluntarily elected to discontinue use of this benefit as of June 30, 2009. Mr. Watjen reimbursed the company for all personal use of the corporate aircraft in 2010; therefore, there is no personal usage reported in this table.

(c) As described beginning on page 72, named executive officers and their spouses or guests are sometimes required to attend company business functions. If gross up payments were calculated on these expenses, they have been included under Tax Reimbursement Payments. Some of these trips included travel on the corporate aircraft. The incremental cost, as defined above, was calculated to determine amounts to be included.

(d) Amounts represent matching gifts made on behalf of the named executive officer to qualified non-profit organizations and educational institutions. The Matching Gifts Program is available to all full-time employees and non-employee directors and will match eligible gifts from a minimum of $50 to an aggregate maximum gift of $7,500 per employee/non-employee director, per calendar year.

(e) Matching contributions under Unum s 401(k) Retirement Plan are provided to all eligible employees participating in the plan as described on page 72. For each participant who maximized their contribution (5%), the company ensured the participant received the maximum company match of 4%.

(f) Many of our employees are required to travel to other company locations outside of their primary state of employment. While working in a state other than their primary state of employment, employees may be required to pay state income taxes to that state if days worked or earnings exceed an amount specified in state law. When this happens, we pay the state income tax on behalf of the employee and gross up the income amount for FICA and Medicare taxes.

GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards	All Other Option Awards	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
		Threshold ($)	Target ($)	Max ($)	Threshold (#)	Target (#)	Max (#)	Number of Shares of Stock or Units (#)	Number of Securities Underlying Options (#)	($)/SH	($)
Mr. Watjen[2]		412,500	1,650,000	3,300,000							
	2/25/10							200,890[3]			4,174,494[6]
	2/25/10								153,927[4]	20.78[5]	1,391,500[7]
Mr. McKenney		162,500	650,000	1,300,000							
	2/25/10							35,190[3]			731,248[6]
	2/25/10								26,963[4]	20.78[5]	243,746[7]
Mr. McCarthy[2]		141,250	565,000	1,130,000							
	2/25/10							42,059[3]			873,986[6]
	2/25/10								32,227[4]	20.78[5]	291,332[7]
Mr. Best[2]		115,875	463,500	927,000							
	2/25/10							28,114[3]			584,209[6]
	2/25/10								21,541[4]	20.78[5]	194,731[7]
Mr. Horn		95,000	380,000	760,000							
	2/25/10							20,744[3]			431,060[6]
	2/25/10								15,895 [4]	20.78 [5]	143,691 [7]

(1) These amounts reflect the threshold, target and maximum award under the annual incentive plan. The threshold is the minimum level, which is 25% of the amount shown in the Target column. Target amounts are based on the individual s earnings for 2010 and their annual incentive target. The maximum award is 200% of such Target.

(2) Messrs. Watjen s, McCarthy s and Best s stock option and restricted stock unit grants are no longer subject to risk of forfeiture because they meet the age and years of service requirement for retirement eligibility. Messrs. Watjen s, McCarthy s and Best s grants will continue to vest ratably over three years on each anniversary of the grant date. If Mr.

Watjen, McCarthy or Mr. Best were to retire, any unvested restricted stock units immediately vest upon retirement and would be distributed six months after the retirement date per Internal Revenue Code Section 409A.

(3) This grant of restricted stock units was made on February 25, 2010 based on 2009 company and individual performance and vests ratably over three years. This award was granted under the Stock Incentive Plan of 2007. Details are provided in the Long-Term Incentive Granted in 2010 table on page 69. For Mr. Watjen, 50% of these shares will be stock settled and 50% will be cash settled upon vesting.

(4) These options were granted on February 25, 2010 based on 2009 company and individual performance and vest ratably over three years. Details are provided in the Long-Term Incentive Granted in 2010 table on page 69.

(5) The amount shown is the closing market price for February 25, 2010.

(6) The grant date fair value of stock awards for restricted stock units on February 25, 2010 was calculated as the number of units multiplied by the closing market price of $20.78 on the grant date.

(7) The grant date fair value of options granted on February 25 was $9.04. The fair value on the date of grant was estimated using the Black-Scholes valuation model. The following assumptions were used to value the 2010 grant:

(a) Expected volatility of 55%, based on our historical daily stock prices;

(b) Expected life of 5 years, based on historical average years to exercise;

(c) Expected dividend yield of 1.59%, based on the dividend rate at the date of grant; and

(d) Risk-free rate of 2.33%, based on the yield of treasury bonds at the date of grant.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options**	**Number of Securities Underlying Unexercised Options**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options**	**Option Exercise Price**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested**	**Market Value of Shares or Units of Stock That Have Not Vested[(1)]**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[(2)]**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[(2)]**
	(# Exercisable)	(# Unexercisable)	(#)	($)		(#)	($)	(#)	($)
Mr. Watjen	-	-	-	-	-	459,861	11,137,833	-	-
	250,000	-	-	27.975	2/8/11	-	-	-	-
	200,000	-	-	21.000	12/12/11	-	-	-	-
	200,000	-	-	18.000	12/12/11	-	-	-	-
	200,000	-	-	14.860	12/12/11	-	-	-	-
	166,100	-	-	21.680	2/23/15	-	-	-	-
	221,012	110,507	-	23.740	2/21/16	-	-	-	-
	79,932	159,864	-	11.370	2/24/17	-	-	-	-
	-	153,927	-	20.780	2/25/18	-	-	-	-
Mr. McKenney	-	-	-	-	-	155,256	3,760,300	-	-
	-	26,963	-	20.780	2/25/18			-	-
Mr. McCarthy	-	-	-	-	-	128,965	3,123,532	-	-
	15,000	-	-	27.975	2/8/11	-	-	-	-
	35,312	17,657	-	23.740	2/21/16	-	-	-	-
	-	45,708	-	11.370	2/24/17	-	-	-	-
	-	32,227	-	20.780	2/25/18	-	-	-	-
Mr. Best	-	-	-	-	-	75,604	1,831,129	-	-
	30,000	-	-	27.975	2/8/11	-	-	-	-
	22,338	11,169	-	23.740	2/21/16	-	-	-	-
	15,913	31,826	-	11.370	2/24/17	-	-	-	-
	-	21,541	-	20.780	2/25/18	-	-	-	-
Mr. Horn	-	-	-	-	-	55,252	1,338,203	-	-
	19,748	9,875	-	23.740	2/21/16	-	-	-	-
	11,208	22,416	-	11.370	2/24/17	-	-	-	-
	-	15,895	-	20.780	2/25/18	-	-	-	-

(1) Represents the aggregate value of restricted stock and restricted stock units (including dividend equivalents) shown in the Number of Shares or Units of Stock That Have Not Vested column based on the closing price on December 31, 2010 of $24.22.

(2) No amounts have been reported for the Equity Performance Grant made on September 11, 2007, based on the year-end stock price. This grant does not begin to vest until the stock price reaches and maintains a minimum of $26 per share for twenty consecutive trading days. Therefore, since the company s stock price had not reached and maintained this level for 20 consecutive days prior to December 31, 2010, the threshold performance level was not met and there are no unearned units or value to report. The aggregate number of restricted stock units (including dividend equivalents earned through December 31, 2010) that had been awarded to each named executive officer, subject to the achievement of performance thresholds, were: Mr. Watjen 316,901; Mr. McCarthy 126,761; Mr. Best 105,634; and Mr. Horn 105,634.

VESTING SCHEDULE FOR UNVESTED RESTRICTED SHARES/UNITS[1]

		Number of Restricted Shares/Units Vesting[2]				
Vesting Date	**Grant Date**	**Mr. Watjen[3]**	**Mr. McKenney**	**Mr. McCarthy[3]**	**Mr. Best[3]**	**Mr. Horn**
February 21, 2011	2/21/08	63,258	-	11,862	8,676	7,158
February 24, 2011	2/24/09	96,606	-	27,621	19,232	13,546
February 25, 2011	2/25/10	67,796	11,876	14,194	9,488	7,000
July 20, 2011	7/20/09	-	59,814	-	-	-
August 19, 2011[4]	8/19/09	-	-	9,617	-	-
February 24, 2012	2/24/09	96,607	-	27,622	19,232	13,546
February 25, 2012	2/25/10	67,797	11,876	14,194	9,488	7,001
July 20, 2012	7/20/09	-	59,814	-	-	-
August 19, 2012[4]	8/19/09	-	-	9,661	-	-
February 25, 2013	2/25/10	67,797	11,876	14,194	9,488	7,001
Total		459,861	155,256	128,965	75,604	55,252

(1) The Equity Performance Grant made on September 11, 2007 has not been included in this table because no vesting had occurred as of December 31, 2010.

(2) These restricted stock units include dividend equivalents earned through year-end 2010.

(3) Messrs. Watjen s, McCarthy s and Best s restricted stock unit grants are no longer subject to risk of forfeiture because they meet the age and years of service requirement for retirement eligibility. Messrs. Watjen s, McCarthy s and Best s grants will continue to vest ratably over three years on each anniversary of the grant date. If Mr. Watjen, McCarthy or Mr. Best were to retire, any unvested restricted stock units immediately vest upon retirement and would be distributed six months after the retirement date per Internal Revenue Code Section 409A.

(4) The August 19, 2010 vesting was close to a dividend date, therefore the quarterly dividends earned for the first tranche were allocated to the third tranche scheduled for vesting August 19, 2012.

OPTION EXERCISES AND STOCK VESTED

	Option Awards		Stock Awards[3]	
Name	**Number of Shares Acquired on Exercise[1]**	**Value Realized on Exercise[2]**	**Number of Shares Acquired on Vesting[4]**	**Value Realized on Vesting[5]**
	(#)	($)	(#)	($)
Mr. Watjen			209,866	$4,392,291
Mr. McKenney			59,296	1,313,404
Mr. McCarthy	22,854	$212,936	57,632	1,201,484
Mr. Best			36,668	767,235
Mr. Horn			28,723	600,900

(1) A portion of the underlying shares were withheld to cover their taxes due upon exercise.

(2) Amount calculated as the number of shares acquired multiplied by the market price at the point of exercise less the option exercise/strike price.

(3) Reflects the restricted stock and restricted stock units that vested during 2010.

(4) Includes the total number of unrestricted shares acquired upon the vesting of restricted stock units. A portion of these shares were withheld to cover taxes due upon vesting.

(5) Amount calculated includes restricted stock shares acquired multiplied by the average of the high and low stock price on the vesting date and restricted stock units acquired multiplied by the closing price on the vesting date.

Post-Employment Compensation

We maintain three defined benefit plans in the United States, which are described in the following table:

DEFINED BENEFIT PLANS

Plan Name	Purpose
Unum Group Pension Plan (Qualified Plan)	Provides funded, tax-qualified benefits up to the limits on compensation and benefits under the Internal Revenue Code. The Qualified Plan was designed to provide tax-qualified pension benefits for most employees.
Unum Group Supplemental Pension Plan (Excess Plan)	Provides unfunded, non-qualified benefits for compensation that exceeds the IRS limits in the Qualified Plan.
Unum Group Senior Retirement Plan (SERP)	Mr. Watjen is the only active employee covered. Provides unfunded, non-qualified benefits that are offset by benefits under the Qualified Plan and the Excess Plan. The SERP supplements the pension benefits that are provided under the Qualified and Excess Plans and was designed to provide competitive retirement benefits for Mr. Watjen.

2010 Pension Benefits

Benefits payable to each named executive officer pursuant to our pension benefit plans are summarized in the following table.

PENSION BENEFITS

Name	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefits ($)[1]	Payments During Last Fiscal Year ($)
Mr. Watjen	Qualified	16.50	$354,000	$-
	Excess	16.50	4,431,000	-
	SERP[2]	16.50	6,081,000	-
Mr. McKenney[3]	Qualified	1.42	15,000	-
	Excess	1.42	68,000	-
Mr. McCarthy	Qualified	32.00	764,000	-
	Excess	32.00	2,995,000	-
Mr. Best[4]	Qualified	16.50	925,000	-
	Excess	16.50	1,438,000	-
Mr. Horn	Qualified	7.00	155,000	-
	Excess	7.00	430,000	-

(1) The Present Value of Accumulated Benefits is based upon a measurement date of December 31, 2010. Accordingly, all calculations utilize credited service and pensionable earnings as of the same date. The results shown are estimates only and actual benefits will be based upon data, pay, service, form of benefit elected and age at the time of retirement. The primary assumptions used in the calculations are based on the measurement date ASC 715 assumptions. Specifically, the accumulated benefit value calculations utilize a rate of 5.80% to discount expected future plan benefit payments to the measurement date, an annual increase in Social Security Wage Base of 3.5% to index the Qualified and Excess Plan benefits from the measurement date to commencement date and a post commencement life expectancy assumption based upon the RP-2000 Combined Healthy Participant Mortality Table projected 10 years with Projection Scale AA. Other assumptions used in the calculations are based on our understanding of the disclosure regulations. In particular, participants are assumed to commence benefits at their unreduced retirement age in each of the plans. That is age 65 in the Qualified and Excess plans and, under the SERP, age 60 for Mr. Watjen. Also, no turnover (e.g. death, disability, termination, retirement) is assumed prior to retirement age.

(2) Assumes retirement at unreduced retirement age of 60.

(3) Mr. McKenney is not vested in the pension or excess plans as of December 31, 2010 and will not be eligible to receive a benefit until he obtains three years of service to meet vesting requirements of the plans.

(4) Amounts include the Colonial Life and Accident Insurance Company s Employee Retirement Plan deferred vested monthly benefit of $4,895.94 payable at age 66. Pension benefit is based on Post-Colonial Life benefit service and all (Colonial Life + Unum) vesting service.

Unum Group	95

How are benefits determined under the Qualified Plan?

Under the Qualified Plan, retirement benefits include: a basic benefit based upon retirement age, years of credited service, highest average earnings and Social Security covered compensation. The definitions of these terms are in the following table.

Qualified Plan Criteria

Criteria	Definition
Credited service	A measure of the time individuals are employed at the company. One year of credited service is granted for each plan year in which 1,000 hours of employment are completed.
Highest average earnings	The average of the highest 5 years of compensation (whether or not consecutive) during the last 10 years of employment.
Social Security covered compensation	The average of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which an employee attains or will attain his or her Social Security retirement age.

As an annual single life annuity, the *basic benefit* for participants is equal to:

A percentage of highest average earnings (which can range from 3%, if the sum of an employee s age and years of credited service is less than 30, to 8%, if the sum equals or exceeds 95), multiplied by years of credited service; added to

3.5% of highest average earnings in excess of Social Security covered compensation, multiplied by years of credited service.

This sum is divided by a conversion factor based on the individual s retirement commencement age (equal to 9.0 for retirement at age 65 and increased by 0.2 for each whole year retirement occurs prior to age 65).

All benefits are indexed on the first day of each plan year following the participant s date of termination using the National Average Wage rate of increase published by the Social Security Administration in the preceding year (minimum of 2.75% and maximum of 5.0%).

Benefits provided under the Qualified Plan are based on pensionable earnings (which are described below) up to a compensation limit of $245,000 under the Internal Revenue Code. In addition, benefits provided under the Qualified Plan may not exceed $195,000 (payable as a single life annuity beginning at any age from 62 through Social Security Normal Retirement Age) under the Internal Revenue Code.

What additional provisions are included in the Excess Plan and SERP?

The Excess Plan provides a benefit equal to the payment that would be provided under the Qualified Plan if the IRS compensation and benefit limits outlined above did not exist, minus the payment actually provided under the Qualified Plan. This plan takes into account pension benefits outside of the current Qualified Plan. Mr. McCarthy was a member of pension plans maintained by our predecessor company, UNUM Corporation, and accrues an additional benefit for his 21 years of service prior to 2000. Mr. Best was a member of the Colonial Life & Accident Employee s Retirement Plan under which he has a deferred vested monthly single life annuity benefit of $4,895.94 payable at age 66 and an additional 22 years of vesting service.

The benefit provided under the SERP is payable as an annuity beginning on the first day of the month following retirement. The SERP benefit for Mr. Watjen, expressed as an annual single life annuity, is equal to: 2.5% of Highest Average Earnings times years of service up to 20, minus the annual single life annuity provided under the Qualified Plan and the Excess Plan beginning on benefit commencement.

Mr. Watjen is presently the only named executive officer covered under the SERP. This coverage is required under the terms of his employment agreement and he has been covered under this plan since 2000.

Are named executive officers eligible for pensions before normal retirement age?

Under the Qualified and Excess plans, participants may retire early at age 55 with 5 years of vesting service. However, if a participant begins receiving a benefit prior to normal retirement age (age 65, except for the Colonial Life & Accident Employee s Retirement Plan portion of Mr. Best s benefit which is reduced from age 66), the normal retirement benefit calculated will be reduced based on the applicable early reduction factors defined in the plan. Messrs. Watjen, McCarthy, Best and Horn currently meet the eligibility requirements for early retirement under these plans.

Under the SERP, Mr. Watjen is eligible for an unreduced pension at age 60, and the amount of his unreduced pension is shown in the Pension Benefits table on page 95. If he terminates employment prior to age 60, the single life annuity will be reduced by 5% per year.

What types of compensation are used in the payment and benefit formula?

The payment and benefit formula incorporates: base pay received in each plan year during which the employee accrues credited service; and payments received from the regular annual incentive plan and any field or sales compensation plan.

Not included in the formula are other bonuses, long-term incentive awards, commissions, prize awards or allowances for incidentals.

Are additional years of credited service granted to participants?

Additional years of credited service are generally not granted to participants in any of the three plans, and no extra years of service have been granted to the named executive officers other than service granted under prior plans. Their respective years of credited service are included in the Pension Benefits table on page 95.

Are lump sum distributions available under the plans?

Lump sum distributions are only available under the plan to vested employees who have a present value of future pension benefits of $10,000 or less. None of the named executive officers are eligible for lump sum distributions from the Qualified or Excess plans, or the SERP. Based on current benefit levels, pension payouts for the named executive officers will be paid in the form of a monthly annuity.

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Nonqualified Deferred Compensation

Does the company have any nonqualified programs that allow named executive officers to defer compensation?

We do not have any active nonqualified programs that allow for deferrals of compensation by our named executive officers. However, Mr. McCarthy does have balances under two inactive plans, and his aggregate earnings and balance are shown in the table below. These predecessor company plans gave executives the opportunity to elect deferral of amounts of their base salary and/or annual incentive and the time and the form of distribution of those amounts. The last year of compensation deferrals occurred under the plans in 2000.

While we do not have any active nonqualified programs that allow for deferrals of compensation by our named executive officers, under certain circumstances, restricted stock units (RSUs) granted to executives may be considered deferred compensation.

NONQUALIFIED DEFERRED COMPENSATION

Name	Executive Contributions in Last FY	Registrant Contributions in Last FY	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE
	($)	($)	($)	($)	($)
Mr. Watjen	-	-	-	-	-
Mr. McKenney	-	-	-	-	-
Mr. McCarthy(1)	-	-	$ 14,504	-	$133,062
Mr. Best	-	-	-	-	-
Mr. Horn	-	-	-	-	-

(1) Mr. McCarthy has balances under two inactive deferred compensation plans. The first inactive plan (the former UNUM Corporation Deferred Compensation Plan) earned interest at a rate of 6.74%. The interest rate for this plan is set once each year at the rate which is equivalent to the interest rate Unum receives on the Unum America Consolidated Portfolio (consisting of bonds, commercial mortgage loans and preferred stocks). The amount of above-market interest that exceeds 120% of the rate prescribed under section 1274(d) of the Internal Revenue Code has been included in the Change in Pension Value & Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table on page 86. The second inactive plan (a non-qualified 401(k) plan) includes 100% Unum stock to be paid out in cash. The change in market value and dividends earned is included in the Aggregate Earnings in Last FY amount. The value of the balance is included in the Aggregate Balance at Last FYE amounts.

Other Post-Employment Payments

The discussion below outlines estimated benefits payable under company policy to named executive officers under various termination scenarios. We have separated the discussions between terminations occurring upon a change in control of the company, and all others.

Mr. Watjen has an employment agreement that specifically addresses post-employment payments, which are discussed beginning on page 103.

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Definitions

The following terminology will be used throughout the discussion of various termination scenarios:

DEFINITIONS

Terminology	Description
Termination with cause	One of the following factors is present: the failure to substantially perform duties; the willful engagement in illegal conduct or gross misconduct harmful to the company; or the conviction of a felony (or plea of guilty or no contest).
Termination without cause	One of the following factors is present: poor performance, other than for misconduct or cause (as defined above); job elimination; or the decision to fill the position with a different resource consistent with the direction of the company.
Resignation for good reason	One or more of the following events have preceded the resignation of the named executive officer: assignment to a position inconsistent with his existing position or any other action that diminishes such position; reduction of his base salary or annual incentive target; failure to continue any material employee benefit or compensation plan in which he participates; relocation to an office more than 50 miles from his current location.

Terminations Related to a Change in Control

The company has entered into a Change in Control Severance Agreement with each named executive officer, except for Mr. Watjen. Mr. Watjen s change in control benefits are outlined on page 103.

What is a change in control for each named executive officer?

A change in control occurs when one of the following situations exist:

- The incumbent directors cease to be a majority for two years;
- An entity acquires 20% of our voting stock (30% in some instances);
- We consummate certain transactions such as a merger or disposition of substantially all of our assets; or
- Shareholders approve a plan of liquidation or distribution.

What benefits does a named executive officer (other than Mr. Watjen) receive upon termination and the occurrence of a change in control?

The named executive officer receives the following benefits:

Unum Group 99

Two times base salary and annual incentive (the greater of the current year target or the prior year annual incentive paid);

Unpaid base salary and a prorated annual incentive through the termination date;

Lump sum payment representing the increase in present value of retirement from two additional years of age and service credit;

Health and welfare benefits for up to two years;

Payment of all deferred compensation;

Outplacement services (20% of base salary, maximum of $50,000);

Accelerated vesting of Equity: restricted stock unit awards would vest; stock option awards would vest and remain exercisable for 90 days from the termination date; a portion of the Equity Performance Grant would vest as described below; and

Potential tax gross-up. If a reduction in the payments by no more than 10% would result in no excise tax being owed, the reduction will occur. Reimbursement will occur if a named executive officer is subject to any excise tax.

If the named executive officer (other than Mr. Watjen) is terminated or resigns immediately prior to a change in control, is he eligible for any benefits?

The named executive officer will get all the benefits described above if the following events occur:

The executive is terminated without cause or at the request of a third party who has signaled its intention to effect a change in control or has taken steps to that effect; and

A change in control involving that third party has, in fact, occurred.

Upon a change in control, what would the named executive officer receive under the terms of the Equity Performance Grant the company made on September 11, 2007?

The company made a special grant of performance-based restricted stock units to each of the named executives, except Mr. McKenney, on September 11, 2007. Upon a change in control, this grant would vest and be delivered as follows:

Time and threshold performance hurdles would be deemed achieved;

The number of restricted stock units earned would be based on the stock appreciation curve and paid upon completion of the change in control; and

Of the remaining unearned restricted stock units:

- 50% would convert to restricted stock units and would be settled at the earlier of involuntary termination without cause, resignation for good reason or December 31, 2011; and

- The remaining 50% would be forfeited.

Terminations Not Related to a Change in Control

There are instances absent a change in control in which a named executive officer s employment may be terminated. The company may terminate a named executive officer s employment for cause, or without cause. Additionally, termination of employment may occur upon a named executive officer resigning, becoming disabled or dying. A named executive officer may also retire.

Messrs. Watjen, McCarthy and Best are eligible for retirement under the terms of the Stock Incentive Plan of 2007. Therefore, in the event of termination other than for cause, their unvested equity would accelerate and vest as of the date of termination. However, the stock would be distributed six months after the date of termination to comply with Internal Revenue Code Section 409A.

What benefits does a named executive officer receive if he is terminated for cause or if he voluntarily resigns?

The named executive officer would receive the following benefits:

Unpaid salary through the date of termination;

Accrued vacation; and

Accrued benefits under the retirement plan.

What benefits does a named executive officer (other than Mr. Watjen) receive if he is terminated without cause?

The named executive officer would receive the following benefits:

Eighteen months of base salary;

Accrued vacation;

Outplacement services (20% of base salary, maximum of $50,000);

Accrued benefits under the retirement plan; and

In the event of a job elimination, prorated early vesting of equity.

What benefits does a named executive officer receive if he becomes disabled?

The named executive officer would receive the following benefits:

- Unpaid salary through the date of termination;
- Prorated annual incentive through the date of disability;
- Accrued vacation;
- Accrued benefits under the retirement plan;
- Accelerated vesting of Equity: restricted stock unit awards would vest; stock option awards would vest and remain exercisable for the earlier of the original expiration date or three years from the date of disability; a portion of the Equity Performance Grant may vest depending upon the achievement of performance thresholds and the stock price appreciation curve as described below; and
- Monthly benefits from the company s long-term disability plan until the earlier of age 65 or death.

What benefits does a named executive officer s beneficiary receive if he dies?

The named executive officer s beneficiary would receive the following benefits:

- Unpaid salary through the date of death;
- Prorated annual incentive through the date of death;
- Accrued vacation;
- Accrued benefits under the retirement plan (if the beneficiary is the executive s spouse);
- Accelerated vesting of Equity: restricted stock unit awards would vest; stock option awards would vest and remain exercisable by the beneficiary for the earlier of the original expiration date or three years from the date of death; a portion of the Equity Performance Grant may vest depending upon the achievement of performance thresholds and the stock price appreciation curve as described below;

Group life insurance benefits ($50,000 for each full-time employee); and

Corporate owned life insurance benefits as applicable (if Messrs. Watjen, McCarthy and Best are active employees on the date of death, their respective beneficiaries as defined in the policy would receive $200,000).

What benefits does a named executive officer receive if he retires?

The named executive officer would receive the following benefits:

Unpaid salary through the date of retirement;

Prorated annual incentive through the date of retirement if this occurs on or after the last business day in March;

- Accrued vacation;
- Accrued benefits under the retirement plan; and
- If the named executive officer meets the definition of retirement eligible under the stock plans, restricted stock unit awards would vest; stock option awards would vest and remain exercisable for the earlier of the original expiration date or five years from the termination date; the Equity Performance Grant may vest depending upon the achievement of performance thresholds and the stock price appreciation curve as described below. Under the stock plans, retirement eligible is defined as age 55 and 15 years of service, or at least age 65.

How does vesting of the Equity Performance Grant work in the event of a non-change in control termination?

In the event of a voluntary resignation or company-initiated termination, all performance-based restricted stock units (PRSUs) are forfeited by the named executive officer.

In the event of retirement, disability, death or termination due to job elimination, the Board must certify that threshold performance hurdles are achieved. If this certification occurs, then PRSUs will be settled by:

- Identifying the number of PRSUs that have been earned through the specific date based on the stock appreciation curve; and
- Prorating these earned PRSUs based on the number of months the named executive officer was employed during the relevant performance period.

If the Board determines that threshold performance hurdles are not achieved, PRSUs are forfeited.

Post-Termination Payments Specific to Mr. Watjen

What benefits does Mr. Watjen receive if he is terminated without cause, due to a change in control, or resigns with good reason?

Mr. Watjen would receive the following benefits:

- Three times the sum of his annual base salary and the average annual incentive paid to him in the three years prior to the date of termination;
- Unpaid salary through the date of termination;
- Prorated annual incentive through the date of termination of employment;

Lump sum payment representing the increase in present value of his retirement benefit as if he had accumulated three additional years of age and service;

Health and welfare benefits for up to three years;

Accelerated vesting of Equity awards: restricted stock unit awards would vest; stock option awards would vest and remain exercisable for 90 days from the termination date; the Equity Performance Grant may vest depending upon the achievement of performance thresholds and the stock price appreciation curve as described above (non-change-in-control termination or as described on page 101, termination after a change in control);

Accrued vacation;

Accrued benefits under the retirement plan; and

In the event of a change in control and termination, he may receive a reimbursement for any excise tax owed. If a reduction in the payments by no more than 10% would result in no excise tax being owed, the reduction will occur. Reimbursement will occur if Mr. Watjen is subject to any excise tax.

What amounts would be paid to the named executive officers under various termination scenarios?

Payments, or termination benefits, are provided to the named executive officers as outlined in the following table and vary with the circumstances under which the termination occurs. In the event of termination as a result of death, payments will be made to the named executive officer s beneficiary.

All termination scenarios in the table assume a termination date of December 31, 2010. The amounts in the table exclude amounts received as an annuity under our retirement plans and the in-the-money value of vested unexercised stock options held by the named executive officers since these amounts are not impacted by a termination. The amounts shown in the table do not include distributions of plan balances under a nonqualified deferred compensation plan. Those amounts are shown in the Nonqualified Deferred Compensation table on page 98.

The amounts in the following table are hypothetical based on the rules of the SEC. Actual payments depend on the circumstances and timing of any termination. The information provided in this table constitutes forward-looking statements for purposes of the Private Litigation Securities Reform Act of 1995.

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TERMINATION TABLE

Termination Scenario	Mr. Watjen	Mr. McKenney	Mr. McCarthy	Mr. Best	Mr. Horn
Termination for Cause or Voluntary Resignation					
Total	$ -	$ -	$ -	$ -	$ -
Termination Without Cause or Resignation with Good Reason (CEO)					
Severance	$9,576,450	$975,000	$847,500	$772,500	$712,500
Prorated Annual Incentive	2,092,150	-	-	-	-
Early Vesting of Equity(1)	13,774,638	-	-	-	-
Benefit Continuation	72,728	-	-	-	-
Outplacement Services	50,000	50,000	50,000	50,000	50,000
Pension Enhancement(2)	5,613,000	-	-	-	-
Total	$31,178,966	$1,025,000	$897,500	$822,500	$762,500
Disability					
Prorated Annual Incentive	$2,092,150	$729,300	$757,453	$543,226	$353,400
Early Vesting of Equity	11,137,833	3,760,300	3,123,532	1,831,129	1,338,203
Disability Benefits	205,432	392,568	220,044	99,395	160,256
Total	$13,435,415	$4,882,168	$4,101,029	$2,473,750	$1,851,859
Death					
Prorated Annual Incentive	$2,092,150	$729,300	$757,453	$543,226	$353,400
Early Vesting of Equity	11,137,833	3,760,300	3,123,532	1,831,129	1,338,203
Group Life Ins. Benefits	50,000	50,000	50,000	50,000	50,000
Corporate Owned Life Ins.	200,000	-	200,000	200,000	-
Total	$13,479,983	$4,539,600	$4,130,985	$2,624,355	$1,741,603
Termination Related to a Charge in Control					
Severance	$9,576,450	$2,600,000	$2,624,534	$2,108,920	$1,752,416
Prorated Annual Incentive	2,092,150	650,000	565,000	463,500	380,000
Early Vesting of Equity	17,612,309	3,853,053	5,365,292	3,598,783	2,964,896
Benefit Continuation	72,728	39,107	54,137	38,296	55,258
Outplacement Services	50,000	50,000	50,000	50,000	50,000
Pension Enhancement(2)	5,613,000	194,000	630,000	402,000	264,000
Estimated Tax Gross Up(3)	7,472,717	1,096,974	2,244,487	1,301,105	1,355,604
Total	$42,489,354	$8,483,134	$11,533,450	$7,962,603	$6,822,174
Retirement					
Prorated Annual Incentive	$2,092,150	$ -	$757,453	$543,226	$ -
Early Vesting of Equity(4)	11,137,833	-	3,123,532	1,831,129	-
Total	$13,229,983	$ -	$3,880,985	$2,374,355	$ -

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(1) In the event of job elimination, the prorated early vesting of equity awards would be as follows: Mr. McKenney $2,149,719 and Mr. Horn $923,993. Messrs. Watjen, McCarthy and Best are eligible for retirement status under the terms of the Stock Incentive Plan of 2007. Therefore, they would receive full vesting as noted in the Retirement section of this table. The amounts represent the value of the shares at a market price of $24.22 (December 31, 2010, closing price).

(2) Pension enhancement is a lump sum payment representing the increase in present value of retirement from three additional years of age and service credit for Mr. Watjen, and two additional years of age and service credit for the remaining named executives.

(3) If any payments pursuant to Mr. Watjen s employment agreement or the Change in Control Severance Agreements, or otherwise would be subject to any excise tax under Section 4999 of the Internal Revenue Code, the company will provide an additional payment such that the named executive officer will retain a net amount equal to the payments he would have retained if such excise tax had not applied. If the value of such payments (calculated in accordance with the IRS rules) exceeds the IRS limit by 10% or less, then the payments would be reduced to avoid the excise tax. The payments for each named executive officer would exceed the IRS limit by more than 10%, and as a result, the full additional payment would be made.

(4) Messrs. Watjen, McCarthy and Best would be eligible for early vesting of equity under the terms of the Plan for retirement status. Messrs. McKenney and Horn did not meet the eligibility criteria of combination of age and years of service as of December 31, 2010.

General Releases, Waivers and Post Employment Covenants

When termination of employment is accompanied by severance payments, the former executive is required to release all claims he or she may have against the company. The release contains restrictions on the former executive with respect to confidentiality, solicitation of company employees, competition, and disparagement. The company also agrees to indemnify the former executive for certain actions taken on behalf of the company during his or her employment.

Ownership of Company Securities

Security Ownership of Directors and Officers

The following table shows the number of shares of the company s common stock beneficially owned as of March 15, 2011, by each director and each named executive and by all directors and executive officers as a group. The table and related footnotes also include information about stock options, deferred share rights and restricted stock units credited to the accounts of directors and executive officers under various compensation and benefit plans. Based upon its review of questionnaires submitted by each director and executive officer, the company does not believe that any shares held by any such person are pledged as security. Except as otherwise indicated below, the beneficial owners have sole voting and investment power with respect to the shares beneficially owned.

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BENEFICIAL OWNERSHIP OF COMMON STOCK (as of March 15, 2011)

Name	Shares of Common Stock[1]	Shares Subject to Exercisable Options[2]	Shares Subject to Settleable Rights or Units[3][4][5][6]	Total Shares Beneficially Owned	Percent of Class
E. Michael Caulfield	2,764	-	20,188	22,953	*
Jon S. Fossel	12,575	-	19,119	31,694	*
Pamela H. Godwin	11,522	-	9,274	20,796	*
Ronald E. Goldsberry	5,260	-	24,444	29,704	*
Kevin T. Kabat	4,840	-	7,002	11,842	*
Thomas Kinser	2,840	-	27,454	30,294	*
Gloria C. Larson	4,901	-	42,275	47,176	*
A. S. (Pat) MacMillan, Jr.	7,362	1,900	7,608	16,870	*
Edward J. Muhl	12,373	-	2,353	14,726	*
Michael J. Passarella	8,470	-	3,848	12,318	*
William J. Ryan	10,532	-	14,630	25,162	*
Thomas R. Watjen	690,258	1,341,222	-	2,031,480	*
Robert O. Best	145,919	119,237	-	265,156	*
Randall C. Horn	77,106	57,337	-	134,443	*
Kevin P. McCarthy	151,657	132,659	-	284,316	*
Richard P. McKenney	47,767	8,987	-	56,754	*
All directors and executive officers as a group (18 persons)	1,240,779	1,683,155	178,195	3,102,130	*

* Denotes less than 1%.

(1) Includes shares credited to the accounts of certain executive officers, including Mr. Watjen 12,720 shares; and Mr. Best 3,971 shares, under the company s 401(k) plan. Does not include shares credited to the accounts of certain executive officers, including Mr. McCarthy 1,756 shares, under an inactive non-qualified 401(k) plan because, though measured in share value, they will be settled only in cash.

(2) Represents the number of shares underlying stock options that may be exercised within 60 days after March 15, 2011. For Messrs. Watjen, Best and McCarthy, the amount includes shares underlying unvested stock options that would vest upon retirement because they meet certain age and years of service requirements.

(3) Represents the number of shares underlying deferred share rights and restricted stock units payable solely in shares (including dividend equivalent rights accrued on such rights or units) that may settled within 60 days after March 15,

2011, including deferred share rights and restricted stock units that may be settled upon the termination of a director s service on the Board. For each non-employee director other than Mr. Kabat, the amount includes shares underlying unvested restricted stock units that would vest upon retirement because the director meets a certain years of service requirement. Does not include 8,579 shares credited to the account of Dr. Goldsberry in respect of deferred share rights under the UNUM Corporation Director Deferred Compensation Plan because, though measured in share value, they will be settled only in cash. Also does not include shares underlying time-vesting restricted stock units (including dividend equivalent rights accrued thereon) that will not vest or cannot be settled within 60 days after March 15, 2011 or that are payable only in cash.

(4) Does not include performance-based restricted stock units granted to certain officers in 2007 pursuant to the equity performance grant discussed on page 71 because none of the units have vested, nor will any vest until certain stock price and financial thresholds are satisfied. The number of shares underlying these units on the date of grant was as follows: Mr. Watjen 300,000; Mr. Best 100,000; Mr. Horn 100,000; Mr. McCarthy 120,000; and all other executive officers 15,000.

(5) As of March 15, 2011, the total number of shares underlying deferred share rights (including dividend equivalent rights accrued thereon) held by our non-employee directors, including those rights which cannot be settled in shares or within 60 days after March 15, 2011 and thus are not deemed to be beneficially owned for purposes of this table, was as follows:

Mr. Caulfield	12,580	Mr. Kabat	7,002	Mr. Muhl	-
Mr. Fossel	14,609	Mr. Kinser	22,565	Mr. Passarella	1,495
Ms. Godwin	18,343	Ms. Larson	37,765	Mr. Ryan	9,178
Dr. Goldsberry (a)	25,415	Mr. MacMillan	-		

(a) Includes 8,579 shares credited to the account of Dr. Goldsberry in respect of cash-settled deferred share rights, as described in footnote (3) above.

(6) As of March 15, 2011, the total number of shares underlying time-vesting restricted stock units (including dividend equivalent rights accrued thereon) held by our directors and executive officers, including those units which will not vest, or be settleable in shares, within 60 days after March 15, 2011 and thus are not deemed to be beneficially owned for purposes of this table, was as follows:

Mr. Caulfield	7,608	Ms. Larson	4,509	Mr. Best	60,359
Mr. Fossel	4,509	Mr. MacMillan	7,608	Mr. Horn	42,413
Ms. Godwin	7,608	Mr. Muhl	2,353	Mr. McCarthy	108,489
Dr. Goldsberry	7,608	Mr. Passarella	2,353	Mr. McKenney	178,740
Mr. Kabat	2,353	Mr. Ryan	5,452	All directors and executive officers as a group (a)	901,548
Mr. Kinser	7,608	Mr. Watjen (a)	398,553		

(a) Includes 150,807 shares underlying unvested cash-settled restricted stock units (including dividend equivalent rights accrued thereon) that have been granted to Mr. Watjen.

Security Ownership of Certain Shareholders

Detailed information about the shareholders with more than 5% of our common stock can be found in the table below, including beneficial ownership based on sole and/or shared voting power and investment (dispositive) power.

We do not know of any other person that is a beneficial owner of more than 5% of our common stock. Information is given as of the dates noted in the footnotes below.

BENEFICIAL OWNERSHIP

Name and Address of Beneficial Owner	Amount of Beneficial Ownership(1)	Percent of Company Common Stock Outstanding
FMR, LLC 82 Devonshire Street Boston, MA 02109	31,647,107(2)	10.219%(2)
Wellington Management Company, LLP 280 Congress Street Boston, MA 02210	29,244,121(3)	9.22%(3)
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	21,766,687(4)	6.86%(4)
NWQ Investment Management Company, LLC 2049 Century Park East, 16th Floor Los Angeles, CA 90067	18,210,939(5)	5.74%(5)
The Vanguard Group, Inc. 100 Vanguard Blvd.	17,133,780(6)	5.40%(6)

Malvern, PA 19355

(1) Beneficial ownership of securities is disclosed according to Rule 13d-3 of the Securities Exchange Act of 1934.

(2) This information is based on the Schedule 13G/A filed with the Securities and Exchange Commission by FMR LLC on March 10, 2011. FMR LLC reported that, in its capacity as a parent holding company, it had sole voting with respect to 733,052 shares of our common stock, sole dispositive power with respect to 31,647,107 shares of our common stock, and shared voting and dispositive power with respect to none of our shares. The Schedule 13G/A includes shares beneficially owned by subsidiaries controlled by or through FMR LLC, Edward C. Johnson 3d, Chairman of FMR LLC, and/or members of the family of Edward C. Johnson 3d as follows: Fidelity Management & Research Company, a registered investment adviser to various registered investment companies (30,915,555 shares, or 9.983%); Fidelity Low-Priced Stock Fund, a registered investment company (15,900,000 shares, or 5.134%); Strategic Advisers, Inc., a registered investment adviser to individuals (1,135 shares, or 0.000%); Pyramis Global Advisors Trust Company, a bank serving as investment manager of institutional accounts (467,457 shares, or 0.151%); and FIL Limited (FIL), a qualified institution providing investment advisory and management services to non-U.S. investment companies and certain institutional investors (262,960 shares, or 0.085%). The Schedule 13G/A states that Mr. Johnson and various family members, through their ownership of FMR LLC voting common shares and the execution of a shareholders voting agreement, may be deemed a controlling group with respect to FMR LLC. The Schedule 13G/A also states that although FMR LLC and FIL are separate and independent corporate entities and of the view that they are not acting as a group for purposes of Section 13(d) under the Securities Exchange Act of 1934 and thus that the shares held by each need not be aggregated, FMR LLC has nonetheless filed the Schedule 13G/A on a voluntary basis as if all of the shares are beneficially owned by FMR LLC and FIL on a joint basis.

(3) This information is based on the Schedule 13G/A filed with the Securities and Exchange Commission by Wellington Management Company, LLP on February 14, 2011, which reflects beneficial ownership as of December 31, 2010. Wellington Management Company, LLP reported that, in its capacity as investment adviser, it had shared voting power with respect to 19,999,870 shares of our common stock, shared dispositive power with respect to 29,244,121 shares of our common stock, and sole voting and dispositive power with respect to none of our shares.

(4) This information is based on the Schedule 13G/A filed with the Securities and Exchange Commission by BlackRock, Inc. on February 2, 2011, which reflects beneficial ownership as of December 31, 2010. BlackRock, Inc. reported that, in its capacity as the parent holding company or control person of the subsidiaries listed therein, it had sole voting and

dispositive power with respect to 21,766,687 shares of our common stock and shared voting and dispositive power with respect to none of our shares.

(5) This information is based on the Schedule 13G filed with the Securities and Exchange Commission by NWQ Investment Management Company, LLC on February 14, 2011, which reflects beneficial ownership as of December 31, 2010. NWQ Investment Management Company, LLC reported that, in its capacity as investment adviser, it had sole voting power with respect to 14,705,015 shares of our common stock, sole dispositive power with respect to 18,210,939 shares of our common stock, and shared voting and dispositive power with respect to none of our shares.

(6) This information is based on the Schedule 13G/A filed with the Securities and Exchange Commission by The Vanguard Group, Inc. on February 10, 2011, which reflects beneficial ownership as of December 31, 2010. The Vanguard Group, Inc. reported that, in its capacity as investment adviser, it had sole voting power with respect to 405,678 shares of our common stock, shared voting power with respect to none of our shares, sole dispositive power with respect to 16,728,102 shares of our common stock, and shared dispositive power with respect to 405,678 shares of our common stock, and that Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of and has sole voting power with respect to the 405,678 shares mentioned above as a result of its serving as investment manager of collective trust accounts.

Section 16(A) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Securities Exchange Act of 1934, our directors, executive officers, and 10% beneficial holders of our common stock are required to file with the Securities and Exchange Commission certain forms reporting their beneficial ownership of and transactions in our common stock. Based solely upon information provided by each such person, we believe each of our directors and executive officers and 10% beneficial owners filed all required reports on a timely basis during the last fiscal year.

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Risk Analysis

Risk Management

The Board has an active role, as a whole and also at the committee level, in overseeing management of the company s risks. The Board is responsible for managing strategic risk and regularly reviews information regarding our capital, liquidity and operations, as well as the risks associated with each, and receives an enterprise risk management report from our Chief Risk Officer at least annually, and usually more frequently. The Audit Committee is responsible for oversight of the company s risk management process, financial risk, operational risk and any other risk not specifically assigned to another committee. The Chief Risk Officer provides a report on the company s risk and risk management to the Audit Committee at least quarterly. The Finance Committee is responsible for oversight of risks associated with investments and related financial matters. The Human Capital Committee is responsible for overseeing the management of risks relating to our compensation plans and programs; in connection with this oversight it receives an analysis from the Chief Risk Officer with respect to these risks. The Regulatory Compliance Committee oversees management of risks related to regulatory, compliance, policy and legal matters, both current and emerging and whether of a local, state, federal or international nature. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about such risks in addition to the risk information it receives directly.

Compensation Risk

Our Chief Risk Officer, in consultation with the Human Capital Committee, has undertaken a risk assessment of our compensation programs and practices. The process included the following steps:

- Review the overall design and philosophy of the incentive compensation programs;

- Review and assess the 2010 Performance Based Incentive (PBI) and Long Term Incentive (LTI) performance measures for alignment between actual results and achievement payout levels;

- Identify fundamental principles to test, including the SEC s non-exclusive list of situations where compensation programs may have the potential to raise material risks to the company; and

- Assess the 2011 incentive program in light of the company s primary risks (as disclosed in the company s Annual Report on Form 10-K for the fiscal year ended December 31, 2010), the company s annual financial plan, and any proposed changes to the incentive plans.

Based on this assessment, the following conclusions were reached:

- The company s incentive targets, thresholds, caps, weights and payout curves are effective control mechanisms.

- The incentive plans are balanced and align the long-term interests of shareholders and management.

The program s goals are effectively balanced and consistent with the risk levels embedded in the company s 2011 financial and capital plans.

All potential awards are subject to Human Capital Committee discretion and the company has a recoupment policy in place. We do not believe the company s compensation programs create risks that are reasonably likely to have a material adverse effect on the company.

Audit Committee Report

The primary purpose of the Audit Committee is to oversee the company s financial reporting process on behalf of the Board of Directors and is more fully described in the Committee s charter, which is available on the company s website www.unum.com in the Investors area under Corporate Governance. The charter is also available by writing to the Office of the Corporate Secretary as described on page 10 or by calling toll-free 800-718-8824.

Management has the primary responsibility for the company s financial statements and the reporting process, including the establishment and effectiveness of the company s internal controls over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. The company s independent registered public accounting firm is responsible for performing an independent audit of the financial statements and expressing an opinion on whether they conform to generally accepted accounting principles. The independent registered public accounting firm also is responsible for auditing the effectiveness of the company s internal control over financial reporting. The independent registered public accounting firm reports directly to the Committee, which is responsible for the appointment, compensation and oversight of the work performed by the independent registered public accounting firm.

The Committee reviewed with the independent registered public accounting firm its judgments of the quality and acceptability of the company s accounting principles and other matters required to be discussed with the Committee under generally accepted auditing standards, including Statement on Auditing Standards No. 61 (as amended) and as adopted by the Public Company Accounting Oversight Board. The Committee also received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm s communications with the Committee concerning independence, and discussed with the independent registered public accounting firm its independence.

The Committee and the company s internal auditors and independent registered public accounting firm discussed the overall scope and plans for their respective audits. The Committee meets with the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the company s internal controls, and the overall quality of the company s financial reporting.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors (and the Board approved) that the company s audited financial statements for 2010 be included in its Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

Michael J. Passarella, Chair

E. Michael Caulfield

Kevin T. Kabat

Thomas Kinser

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About the Annual Meeting

How can I attend the Annual Meeting?

You will need an admission ticket or proof of ownership of the company s common stock as of March 28, 2011, and valid picture identification (such as a driver s license or passport) to enter the Annual Meeting. If you are a shareholder of record, the Notice of Internet Availability of Proxy Materials will serve as an admission ticket, or if you received a printed set of proxy materials, an admission ticket is attached to your proxy card. Bring the notice or detach and bring the ticket with you to the meeting.

If your shares are held beneficially in the name of a bank, broker or other holder of record and you plan to attend the meeting, you may present a recent brokerage statement or letter from a bank or broker as an example of proof of ownership. If you arrive at the meeting without an admission ticket, you will be admitted only after we can verify that you are a shareholder.

There will be signs on the corporate campus of our headquarters in Chattanooga, Tennessee, directing you to parking and the meeting location. Directions to this location are provided in Appendix C of this Proxy Statement and are also available on our website at www.unum.com/directions. For your safety and that of other shareholders, we reserve the right to inspect all personal items prior to admission.

Can I listen to the Annual Meeting on the Internet?

Yes, you can access a live audio webcast of the Annual Meeting on our website at www.unum.com, in the Investors area. To register, access the webcast on the website and provide the information requested. The meeting will begin at 10:00 a.m. Eastern Time on Wednesday, May 25, 2011, and be archived on our website through June 9, 2011.

Who can vote at the Annual Meeting?

Holders of our common stock at the close of business on March 28, 2011, are entitled to receive this Proxy Statement and to vote their shares at the Annual Meeting, and at any adjournment or postponement thereof. On that date there were approximately 309,658,737 shares of our common stock outstanding. The common stock is the only class of equity securities entitled to be voted at the meeting. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

If your shares are registered directly in your name, you are the holder of record and these proxy materials have been sent directly to you by the company.

If you own your shares in a stock brokerage account or through a bank or other holder of record, you are the beneficial owner of shares held in street name. As a result, these proxy materials have been forwarded to you by your broker, bank or other holder of record. As the beneficial owner, you have the right to direct the holder of record how to vote your shares. You must follow the instructions provided to you by the holder of record to have your vote counted.

How do I vote?

You may cast your vote prior to the Annual Meeting by using one of three methods listed below. Information on revoking your proxy or changing your vote is on page 120.

By Internet

If you are a holder of record, you may vote by Internet at www.envisionreports.com/unm. Internet voting is available 24 hours a day, although your vote by Internet must be received by 2:00 a.m. Eastern Time, May 25, 2011. You will need the control number found either on the Notice of Internet Availability of Proxy Materials or on the proxy card if you are receiving a printed copy of these materials. If you vote by Internet, do not return your proxy card or voting instruction card. If you hold your shares in street name, please refer to the Notice of Internet Availability of Proxy Materials or voting instruction card provided to you by your broker, bank or other holder of record for Internet voting instructions.

By telephone

If you are a holder of record, you may vote by calling 800-652-VOTE (8683). If you are receiving a printed copy of these proxy materials, this toll free number is also included on the proxy card. Telephone voting is available 24 hours a day, although your vote by phone must be received by 2:00 a.m. Eastern Time, May 25, 2011. You will need the control number found either on the Notice of Internet Availability of Proxy Materials or on the proxy card if you are receiving a printed copy of these materials. If you vote by telephone, do not return your proxy card or voting instruction card. If you hold your shares in street name, please refer to the Notice of Internet Availability of Proxy Materials or voting instruction card provided to you by your broker, bank or other holder of record for telephone voting instructions.

By mail

If you are a holder of record and received a printed copy of the proxy materials, you may vote by mail by completing, signing, and dating the proxy card and returning it in the accompanying pre-addressed, stamped envelope. Your vote by mail must be received by our tabulator, Computershare Investor Services, at the below address by the close of business on May 24, 2011. If you vote by mail, do not vote by Internet or by telephone.

Proxy Services

c/o Computershare Investor Services

P.O. Box 43126

Providence, RI 02940-5138

If you hold your shares in street name and you received a printed copy of the proxy materials, please refer to the voting instruction card provided to you by your broker, bank or other holder of record for mailing instructions.

Note that the Internet and telephone voting procedures are designed to authenticate shareholders identities, allow shareholders to give their voting instructions and confirm that shareholders instructions have been recorded properly. If you incur usage charges from Internet access providers and telephone companies or any other charges in connection with voting via the Internet or telephone, these charges must be paid by you.

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You may also vote in person at the Annual Meeting. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the meeting. If you intend to vote in person, please notify the tellers prior to the beginning of the meeting.

How will votes be counted?

Proxies for shares that have been properly submitted, and not revoked, will be voted at the Annual Meeting in accordance with your instructions. If you vote by proxy card and sign the card without indicating how you want your shares to be voted, your shares will be voted in accordance with the following recommendations of the Board of Directors:

- FOR election of each of the nominees for director, Jon S. Fossel, Gloria C. Larson, William J. Ryan and Thomas R. Watjen; and

- FOR approval of the compensation of our named executive officers as disclosed in this Proxy Statement, including the Compensation Disclosure and Analysis, compensation tables and related narrative discussion;

- In favor of holding future advisory votes on executive compensation EVERY YEAR;

- FOR approval of the Unum European Holding Company Limited Savings-Related Share Option Scheme 2011; and

- FOR ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011.

Representatives of our transfer agent, Computershare Investor Services, will tabulate the votes and act as inspectors of the election. Proxies that are not signed and returned or otherwise properly submitted, including those not returned by banks, brokers, or other holders of record, will not be counted for quorum or voting purposes.

We will include the voting results from the Annual Meeting in a Form 8-K, which we expect to file with the SEC on May 26, 2011.

What vote is required to approve each measure?

For Item 1, the affirmative vote of a majority of the votes cast at the Annual Meeting with respect to each nominee is required to elect that nominee to the Board. For this purpose, our bylaws provide that a majority of the votes cast means the number of votes for a director must exceed 50% of the votes cast with respect to that director. Each vote against a director will count as a vote cast with respect to that director, but an abstention will not count as a vote cast with respect to that director and thus will not impact the election of directors. If a director is not elected, our bylaws provide that the director must offer to tender his or her resignation to the Board. The Governance Committee will make a recommendation to the Board whether to accept or reject the resignation, or whether other action should be taken. If the director who tenders his or her resignation is a member of the Governance Committee, that director will not participate in the Governance Committee s recommendation to the Board. The Board will act on the Governance Committee s recommendation and publicly disclose its decisions and the rationale behind it within 90 days from the date of the certification of the election results.

For Item 2, the affirmative vote of a majority of the votes entitled to be cast by the shareholders represented and entitled to vote at the Annual Meeting is required to approve the compensation of our named executive officers as disclosed in this Proxy Statement.

For Item 3, concerning the frequency with which future advisory votes on executive compensation should be held, the frequency (every year, every two years, or every three years) receiving the greatest number of votes cast by the shareholders represented and entitled to vote at the Annual Meeting will be considered by us as the frequency that shareholders have selected.

For Item 4, the affirmative vote of a majority of the votes entitled to be cast by the shareholders represented and entitled to vote at the Annual Meeting is required to approve the Unum European Holding Company Limited Savings-Related Share Option Scheme 2011.

For Item 5, the affirmative vote of a majority of the votes entitled to be cast by the shareholders represented and entitled to vote at the Annual Meeting is required to approve ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2011.

Because your votes on Items 2 and 3 are advisory, they will not bind the company. However, the Board and the Human Capital Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation and the frequency of future advisory votes on executive compensation.

How is a quorum determined for the Annual Meeting?

A quorum is required to transact business at the Annual Meeting and is reached if the holders of at least a majority of the shares entitled to vote are present, either in person or by proxy. Votes at the meeting are cast by shareholders present and by proxy ballots submitted prior to the meeting.

How can I revoke my proxy or change my vote?

If you are a holder of record, you can revoke your proxy before it is exercised by giving written notice of revocation to our Corporate Secretary. An earlier proxy is also revoked by a valid later proxy or later vote by telephone or by the Internet, or by appearing at the meeting and voting by ballot. If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker, bank or other holder of record. You may also vote in person at the meeting if you obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot.

What if I don t vote?

A New York Stock Exchange (NYSE) member broker who holds shares in street name for a customer has the authority to vote on certain items if the broker does not receive instructions from the customer. The NYSE rules permit member brokers who do not receive instructions to vote on certain routine matters, including the proposal to ratify the appointment of our independent registered public accounting firm (Item 5). However, if brokers do not receive instructions to vote on certain non-routine matters, including the election of directors (Item 1), the advisory vote on executive compensation (Item 2), the advisory vote on the frequency of future advisory votes on executive compensation (Item 3), and approval of the Unum European Holding Company Limited Savings-Related Share Option Scheme 2011 (Item 4), they may not vote. Therefore, it is very important that you vote on each of these non-routine matters.

How can I access the company s Annual Report on Form 10-K on the Internet or obtain a written copy?

You can access our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, via the Internet by going to the Investors area of our website at www.unum.com. The 2010 Annual Report on Form 10-K is not incorporated into this Proxy Statement and is not considered proxy soliciting material.

Shareholders wishing to receive a free printed copy of the 2010 Annual Report on Form 10-K, including the financial statements and financial statement schedules filed as part of the report, may do so by writing to the Office of the Corporate Secretary as described on page 10 or by calling toll-free 800-718-8824.

Who pays for the cost of this proxy solicitation?

We pay the cost of soliciting proxies from our shareholders. Proxies are solicited by mail and e-mail, and may also be solicited personally or by telephone by our directors, officers and employees. We have also retained Innisfree M&A Incorporated, a proxy soliciting firm, to assist in distributing and soliciting the proxies for the Annual Meeting, and Computershare Investor Services, to provide certain administrative services in connection with distributing the proxies for the meeting. We pay Innisfree a fee of $15,000 and reasonable out-of-pocket expenses. We also make appropriate arrangements with brokerage houses, banks and other custodians, nominees and fiduciaries to help solicit proxies from the beneficial owners of shares held of record by such persons.

Will other business be conducted at the Annual Meeting?

At the time this Proxy Statement was furnished, there were no other matters that the Board of Directors intended to present, or had reason to believe others would present, at the Annual Meeting. If you grant a proxy, the persons named in the accompanying form of proxy will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any reason any of our nominees is not available as a candidate for director, the proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board.

How can shareholders include in the company s proxy materials proposals for presentation at the 2012 Annual Meeting?

SEC rules and our bylaws allow for the submission of proposals by shareholders for inclusion in our proxy materials and presentation at annual meetings, although simply submitting a proposal does not guarantee its inclusion or presentation. While it is too late for proposals to be submitted for inclusion in these proxy materials or presentation at this year s meeting, if a shareholder wants to include a proposal in our proxy materials for presentation at the 2012 Annual Meeting, the proposal must be received in writing by the Office of the Corporate Secretary at the address specified on page 10 not later than December 16, 2011.

Is the company householding for shareholders sharing the same address?

The SEC s rules for delivery of proxy materials to shareholders permit us to deliver a single copy of these documents to an address shared by two or more of our shareholders. This method of delivery is called householding, and its use can significantly reduce the volume of mail you receive. This year, we are delivering only one set of proxy materials to multiple shareholders sharing a single address unless we receive instructions to the contrary from one or more of those shareholders. We will still be required, however, to send you and each other shareholder at your address an individual proxy voting card. If you would like to receive more than one set of proxy materials, copies are available by writing the address below or calling toll-free 800-446-2617:

Computershare Investor Services

P.O. Box 43069

Providence, RI 02940-3069

The same phone number and address may be used to notify us that you wish to receive a separate set of proxy materials in the future, or to request delivery of a single copy of our proxy materials if you are receiving multiple copies.

Appendix A

Rules of the

UNUM EUROPEAN HOLDING COMPANY LIMITED SAVINGS-RELATED SHARE OPTION SCHEME 2011

(Established by Unum European Holding Company Limited on [ ] 2011

and approved by HM Revenue & Customs

under Schedule 3 to the Income

Tax (Earnings and Pensions) Act 2003

on [ ] 2011 under ref [ ])

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UNUM EUROPEAN HOLDING COMPANY LIMITED SAVINGS-RELATED

SHARE OPTION SCHEME 2011

1. DEFINITIONS AND INTERPRETATION

In this Scheme, the following words and expressions shall, where the context so permits, have the following meanings:

Acquisition Price	means the price at which each Share subject to an Option may be acquired on the exercise of that Option, being (subject to Rule 10) the higher of:
	(a) ninety per cent (90%) of the Market Value of a Share on the day preceding the date that the invitation to apply for that Option was issued pursuant to Rule 2; or
	(b) if Shares are to be subscribed for, the nominal value of a Share;
Appropriate Period	has the meaning it bears in paragraph 38 of Schedule 3;
Associated Company	has the meaning it bears in paragraph 47 of Schedule 3;
Auditors	means the auditors for the time being of Unum Group (acting as experts and not as arbitrators);
Bonus	means any sum payable by way of bonus under a Savings Contract being the additional payment made by the nominated Savings Authority when repaying contributions under a Savings Contract and:
	(a) **Three Year Bonus** shall mean the Bonus payable under a Three Year Savings Contract; and
	(b) **Five Year Bonus** shall mean the Bonus payable on the first date on which a Bonus is payable under a Five Year Savings Contract;
Bonus Date	means the earliest date on which the relevant Bonus is payable;
Constituent Company	means Unum Group, Unum European Holding Company Limited and any other company which is for the time being nominated by the board of Unum Group to be a Constituent Company being:

(a) a company of which Unum Group has Control; or

(b) subject to the prior consent of HMRC having been obtained, a jointly owned company which:

(i) is not under the Control of any single person; and

(ii) is under the joint Control of the Unum Group and one other person; and (iii) is not a participating company in any savings-related share option scheme established by any other company and approved by HMRC under Schedule 3; or

(c) subject to the prior consent of HMRC having been obtained, a company which is under the Control of a jointly owned company which satisfies the conditions in paragraph (b) above and which itself satisfies the condition in sub-paragraph (iii) thereof provided that if any company which has been nominated as a Constituent Company by virtue of satisfying the conditions in paragraphs (b) or (c) above shall cease to satisfy any of those conditions (unless as a consequence of such cessation it becomes under the Control of Unum Group) it shall forthwith cease to be a Constituent Company;

Control	has the meaning given by section 719 of ITEPA;
Date of Grant	means, in relation to any Option, the date on which the Option is, was or is to be granted;
Dealing Day	means any weekday (excluding Saturday) which is not a statutory, public or bank holiday in either the United Kingdom or the United States of America;
Eligible Employee	means:

(a) any employee of any Constituent Company, or

(b) any director of any Constituent Company who devotes to his duties 25 hours or more per week (excluding meal breaks),

in each case who:

(i) had on the day preceding the date of issue of the relevant invitations pursuant to Rule 2.1 been such an employee or director for 6 weeks or more, and;

(ii) is chargeable to tax in respect of his office or employment under sections 15 to 21 of ITEPA; or

(c) any other director or employee of any Constituent Company whom the board of Unum European Holding Company Limited may in its discretion and from time to time select,

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provided that no director or employee of a Constituent Company shall be an Eligible Employee at any time when he is precluded from participating in this Scheme by paragraph 11 of Schedule 3 (the no material interest requirement);

Grantor means the grantor of any Option pursuant to Rule 4;

HMRC means Her Majesty s Revenue & Customs;

ITEPA means the Income Tax (Earnings and Pensions) Act 2003;

Key Feature means a provision of this Scheme which is necessary in order to meet the requirements of Schedule 3;

Market Value means in relation to a Share:

(a) if the Shares are not listed on the New York Stock Exchange or other recognised investment or stock exchange, the market value as determined in accordance with Part VIII of the Taxation of Chargeable Gains Act 1992 and agreed in advance for the purposes of this Scheme with HMRC Shares and Assets Valuation; or

(b) if the Shares are listed on the New York Stock Exchange or other recognised investment or stock exchange, the closing market quotation of the New York Stock Exchange, as reported in the Wall Street Journal, for the Dealing Day preceding the relevant date of invitation to apply for the Option to acquire such Shares issued pursuant to Rule 2;

Maximum Contribution means the maximum permitted aggregate Monthly Contribution which may be made under all Savings Contracts linked to Options granted to a participant under this Scheme or any other savings-related share option scheme approved by HMRC under Schedule 3, being the lesser of:

(a) £250 per month (or, if greater, the maximum amount specified in paragraph 25(3)(a) of Schedule 3); and

(b) such other maximum as may be determined from time to time by the board of Unum European Holding Company Limited;

Monthly Contribution means the monthly savings contribution (being a multiple of £1 and no less than £10) agreed to be paid by an Optionholder under his Savings Contract;

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Option	means a right to acquire Shares by purchase or subscription granted (whether by Unum European Holding Company Limited or a third party) pursuant to this Scheme;
Optionholder	means an Eligible Employee to whom an Option has been granted under this Scheme, or his personal representatives;
Personal Data	means any personal information which could identify an Optionholder, including but not limited to, the Optionholder s date of birth, home address, telephone number, e-mail address or National Insurance number;
Savings Authority	means the building society, bank or Department of National Savings recognised by the board of Unum European Holding Company Limited from time to time for the purpose of receiving Monthly Contributions under Savings Contracts;
Savings Contract	means a contract under a certified SAYE savings arrangement (within the meaning of section 703 of the Income Tax (Trading and Other Income) Act 2005) approved by HMRC for the purpose of Schedule 3 and Three Year Savings Contract and Five Year Savings Contract shall be construed accordingly;
Schedule 3	means Schedule 3 of ITEPA;
this Scheme	means the Unum European Holding Company Limited Savings-Related Share Option Scheme 2011 constituted and governed by these Rules, as from time to time amended;
Share	means common stock in the capital of Unum Group which satisfies the conditions specified in paragraphs 18 to 22 inclusive of Schedule 3;
Specified Age	means age 65;
Subsisting Option	means an Option which has neither lapsed nor been exercised; and
Unum Group	means Unum Group, a Delaware general business corporation whose principal executive offices are at 1 Fountain Square, Chattanooga, Tennessee 37402, United States of America, and including any delegates of Unum Group as may be set forth in this Scheme.

References to any statutory provision are to that provision as amended or re-enacted from time to time, and, unless the context otherwise requires, words in the singular shall include the plural and vice versa and words importing the masculine shall include the feminine and vice versa.

2. INVITATIONS TO APPLY FOR OPTIONS

2.1 The board of Unum European Holding Company Limited may, if in their absolute discretion they think fit, invite all Eligible Employees to apply for the grant of Options. Such invitations shall be made on identical terms to all Eligible Employees at such times as the board of Unum European Holding Company Limited shall direct.

2.2 Invitations shall be made in writing and shall include details of the following matters which shall be determined by the board of Unum European Holding Company Limited in accordance with any resolution or other actions by the Human Capital Committee of Unum Group:

(a) the Acquisition Price at which each Share may be acquired on the exercise of an Option granted in response to the application;

(b) the latest date by which applications must be received, being neither earlier than 14 days nor later than 21 days after the date of the invitations;

(c) the Maximum Contribution; and

(d) whether the applicable Savings Contract is:

(i) a Three Year Savings Contract;

(ii) a Five Year Savings Contract; or

(iii) either a Three Year Savings Contract or a Five Year Savings Contract, as the applicant shall select.

2.3 Each invitation shall be accompanied by:

(a) a proposal form for a Savings Contract; and

(b) an application form.

2.4 An application form shall be in such form as the board of Unum European Holding Company Limited may from time to time prescribe save that it must provide for the applicant to state:

(a) the Monthly Contribution (being a multiple of £1 and not less than £10) which he wishes to make under the related Savings Contract;

(b) that his proposed Monthly Contribution (when taken together with any Monthly Contribution he makes under any other Savings Contract linked to an Option granted to him under this Scheme or any other savings-related share option scheme approved by HMRC under Schedule 3) will not exceed the Maximum Contribution specified in the invitation; and

(c) if the board of Unum European Holding Company Limited has determined that an applicant may select either a Three Year Savings Contract or a Five Year Savings Contract, his selection in that respect.

2.5 Each application shall provide that, in the event of scaling down in accordance with Rule 3, the board of Unum European Holding Company Limited is authorised by the applicant to modify his application to apply such scaling down.

2.6 Each application shall be deemed to be for an Option over the largest whole number of Shares as can be acquired at the Acquisition Price with the expected repayment under the related Savings Contract at the appropriate Bonus Date.

3. SCALING DOWN

3.1 To the extent that valid applications are received in excess of any maximum number of Shares which may be determined by the board of Unum Group or, in the absence of any such determination after the effective date of this Scheme, the limit in Rule 5, including any reductions provided for therein, the board of Unum European Holding Company Limited shall scale down applications to the extent necessary in one of the following ways as may be determined by it in its discretion:

(a) in the event that the applicable Savings Contracts are Five Year Savings Contracts or applicants are permitted to select Five Year Savings Contracts:

(i) by treating all Five Year Savings Contracts as Three Year Savings Contracts; and then so far as necessary

(ii) first by reducing pro rata the proposed monthly contributions in excess of £10 and then, so far as necessary selecting by lot;

or

(b) alternatively, by reducing pro rata the proposed Monthly Contributions in excess of £10 and then, so far as necessary, selecting by lot.

3.2 Each application shall be deemed to have been modified or withdrawn in accordance with the application of the foregoing provisions and the board of Unum European Holding Company Limited shall complete each Savings Contract proposal form to apply any reduction in Monthly Contributions resulting therefrom.

4. GRANT OF OPTIONS

4.1 No later than 30 days (or 42 days in the event that applications are scaled down under Rule 3) after the day by reference to which the Acquisition Price was fixed, the board of Unum European Holding Company Limited shall grant to each applicant who is still at the Date of Grant an Eligible Employee and is not precluded from participation in this Scheme by virtue of paragraphs 10 or 11 of Schedule 3 an Option over the number of Shares for which, pursuant to Rule 2.6 and subject to Rule 3 he is deemed to have applied.

4.2 As soon as is practicable after having granted an Option to an Eligible Employee the board of Unum European Holding Company Limited shall issue to him an Option Certificate in respect of such Option.

4.3 The Option Certificate shall be in such form, not inconsistent with these Rules, as the board of Unum European Holding Company Limited shall determine from time to time (subject to the approval of HMRC) and shall state:

(a) the Date of Grant of the Option; and

(b) the Acquisition Price payable for each Share under the Option.

4.4 Subject to the right of an Optionholder s personal representatives to exercise an Option as provided in Rule 6.4, every Option shall be personal to the Eligible Employee to whom it is granted and shall not be capable of being transferred, assigned or charged. Any purported transfer, assignment or charge shall cause the Option to lapse forthwith. Each Option Certificate shall carry a statement to this effect.

5. SCHEME LIMITS

5.1 The maximum number of Shares which may be allocated for subscription or purchase under this Scheme shall not exceed 200,000 Shares of Unum Group s issued common stock, as adjusted pursuant to Rule 10 below, if any.

5.2 For the purpose of the limit contained in Rule 5.1:

(a) any Shares which are already in issue when placed under Option; and

(b) any Shares comprised in any Option which is exercised, shall be included for the purpose of calculating the number of Shares under option as well as the number of Shares available for placing under Option. For the avoidance of doubt, any Shares granted under an option that has lapsed without exercise (in whole or in part) shall be excluded for the purpose of calculating the number of Shares under Option as well as the number of Shares available for placing under Option, for the purpose of the limit contained in Rule 5.1.

5.3 No Option shall be granted to an Eligible Employee if the Monthly Contribution under the related Savings Contract would, when added to the Monthly Contributions then being made under any other Savings Contract, exceed the maximum specified in paragraph 25 of Schedule 3.

6. RIGHTS OF EXERCISE OF OPTIONS

6.1 Save as provided

(a) in Rules 6.4, 6.5 and 6.7, and subject to Rule 7 an Option may be exercised only during the period commencing with the Bonus Date under the related Savings Contract; and

(b) in Rules 6.4(a) and (b), an Option may not be exercised after the expiry of the period of six months following the relevant Bonus Date.

6.2 Save as provided in Rules 6.4 and 6.5, an Option may only be exercised by an Optionholder while he is a director or employee of a Constituent Company or an Associated Company of a Constituent Company.

6.3 No Option may be exercised by an Optionholder at any time when he is, or by the personal representatives of an Optionholder who at the date of his death was, prohibited from such exercise by virtue of the provisions of paragraph 11 of Schedule 3 (the no material interest requirement).

6.4 Subject to Rule 6.3, an Option may be exercised by the personal representatives of a deceased Optionholder:

(a) during the period of one year following the date of the Optionholder s death if such death occurs before the Bonus Date; or

(b) during the period of one year following the Bonus Date if the Optionholder s death occurs within the period of six months after the Bonus Date.

6.5 If an Optionholder ceases to be an Eligible Employee by reason of:

(a) injury, ill-health or disability (evidenced to the satisfaction of Unum European Holding Company Limited); or

(b) redundancy (within the meaning of the Employment Rights Act 1996 or Employment Rights (Northern Ireland) Order 1996; or

(c) retirement on reaching the Specified Age or any other age at which he is bound to retire in accordance with the terms of his contract of employment] or otherwise required to retire by the company by which the Optionholder is employed; or

(d) a service provision charge or the transfer of the business, undertaking or part-undertaking in which the Optionholder is employed to a person other than a Constituent Company; or

(e) the company by which the Optionholder is employed ceasing to be under the Control of Unum Group; or

(f) provided more than three years have elapsed since the relevant Date of Grant:

(i) early retirement by agreement with his employer; or

(ii) pregnancy, and for the purposes of this Scheme, a woman who leaves employment due to pregnancy or confinement will be regarded as having left such employment on the earlier of the date she notifies the relevant Constituent Company of her intention not to return and the last day of the 52 week period of maternity leave; or

(g) where an individual gives notification that they will not be returning from parental leave (within the meaning of the Employment Relations Act 1999),

the Option may be exercised within the period of six months following such cessation provided that if at a Bonus Date an Optionholder has ceased to hold any office or employment with a Constituent Company but holds an office or employment within an Associated Company or a company under the Control of Unum Group he may exercise an Option within six months of that Bonus Date.

6.6 An Option shall lapse on the occurrence of the earliest of the following:

(a) subject to Rule 6.6(b), the expiry of the period of six months following the Bonus Date; or

(b) where the Optionholder has died, the expiry of the period during which the Option may be exercised in accordance with Rules 6.4(a) or (b); or

(c) subject to Rule 9, the expiry of any of the applicable periods specified in Rules 6.4 and 6.5 and Rules 8.1, 8.2 and 8.3 but where an Optionholder dies while time is running under Rule 6.5, the Option shall not lapse until the expiry of the relevant period in Rule 6.4(a) or (b); or

(d) the date on which an Optionholder ceases to be a director or employee of any Constituent Company or any Associated Company of a Constituent Company for any reason other than his death or those specified in Rule 6.5; or

(e) the date on which a resolution is passed by either or both of Unum Group or Unum European Holding Company Limited, or an order is made by an appropriate court having jurisdiction over Unum Group or Unum European Holding Company Limited, or both, as the case may be (a Court), for the compulsory winding up of either or both of Unum Group or Unum European Holding Company Limited; or

(f) the date on which the Optionholder becomes bankrupt or does or omits to do anything as a result of which he is deprived of the legal or beneficial ownership of the Option.

6.7 For the avoidance of doubt, if an Optionholder continues to be employed by a Constituent Company after the date on which he reaches the Specified Age, he may exercise an Option within six months following that date.

7. EXERCISE OF OPTIONS

7.1 No Option may be exercised at any time when the Shares which may thereby be acquired do not satisfy the conditions specified in paragraph 18 to 22 of Schedule 3.

7.2 An Option may only be exercised with monies not exceeding the amount of repayment (including any Bonus or interest) made under the related Saving Contract. For this purpose, repayment under the Savings Contract shall exclude the repayment of any Monthly Contribution the due date for payment of which falls more than one month after the date on which repayment is made.

7.3 Save as otherwise in this Scheme, an Option shall be exercisable in whole or in part by notice in writing (in the form prescribed by Unum European Holding Company Limited) given by the Optionholder (or his personal representatives, as the case may be) to Unum European Holding Company Limited. The notice of exercise of the Option shall be accompanied by the relevant Option Certificate and a remittance for the aggregate of the Acquisition Prices payable.

7.4 Within 30 days of receipt of a notice of exercise, the Option Certificate and the appropriate remittance, the board of Unum European Holding Company Limited shall procure the allotment or procure the transfer of the Shares in respect of which the Option has been validly exercised and shall issue a definitive certificate in respect of the Shares allotted or transferred unless the board of Unum European Holding Company Limited considers that such allotment or transfer would not be lawful in the relevant jurisdiction.

7.5 Shares allotted under this Scheme shall rank pari passu in all respects with the Shares of the same class for the time being in issue save as regards any rights attaching to such Shares by reference to a record date prior to the date of allotment and, in the case of a transfer of existing Shares, the transferee shall not acquire any rights attaching to such Shares by reference to a record date prior to the date of such transfer.

7.6 When an Option is exercised only in part, it shall lapse to the extent of the unexercised balance.

7.7 If and so long as the Shares are listed on The New York Stock Exchange, Unum Group shall apply to The New York Stock Exchange for any Shares allotted under this Scheme to be listed on the New York Stock Exchange.

8. TAKEOVERS AND LIQUIDATIONS

8.1 If any person obtains Control of either or both of Unum Group or Unum European Holding Company Limited as a result of making:

(a) a general offer to acquire the whole of the issued common stock of either or both of Unum Group or Unum European Holding Company Limited which is made on a condition such that it is satisfied the person making the offer will have Control of the company or companies for which it made the general offer; or

(b) a general offer to acquire all the shares in Unum Group or Unum European Holding Company Limited which are of the same class as the Shares,

then any Subsisting Option may be exercised within six months of the time when the person making the offer has obtained Control of either or both of Unum Group or Unum European Holding Company Limited and any condition subject to which the offer is made has been satisfied. For the purposes of this Rule 8.1 a person shall be deemed to have obtained Control of either or both of Unum Group or Unum European Holding Company Limited if he and others acting in concert with him have together obtained Control of it.

8.2 If, under Part 26 of the Companies Act 2006 or relevant equivalent legislation in the United States of America, the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of either or both of Unum Group or Unum European Holding Company Limited or its amalgamation with any other company or companies, any Subsisting Option may be exercised upon a Court sanctioning such compromise or arrangement, or within six months of a Court sanctioning such compromise or arrangement.

8.3 If any person becomes bound or entitled to acquire Shares in either or both of Unum Group or Unum European Holding Company Limited under Chapter 3 of Part 28 of the Companies Act 2006 or relevant equivalent legislation in the United States of America any Subsisting Option may be exercised at any time when that person remains so bound or entitled.

8.4 If either or both of Unum Group or Unum European Holding Company Limited passes a resolution for voluntary winding up, any Subsisting Option may be exercised within six months of the passing of the resolution.

9. EXCHANGE OF OPTIONS ON A TAKEOVER

9.1 Notwithstanding the provisions of Rule 8, if any company (the Acquiring Company) obtains Control of either or both of Unum Group or Unum European Holding Company Limited or becomes bound or entitled to acquire shares in either or both of Unum Group or Unum European Holding Company Limited within any of the sets of circumstances specified in Rules 8.1, 8.2 and 8.3, any Optionholder may at any time within the Appropriate Period, by agreement with the Acquiring

Company, release each Subsisting Option (the Old Option) in consideration of the grant to him of a new Option (the New Option) which satisfies the conditions that it:

(a) is over shares in the Acquiring Company or some other company falling within paragraph 18(b) or (c) of Schedule 3, which satisfy the conditions specified in paragraphs 18 to 22 inclusive of Schedule 3;

(b) is a right to acquire such number of such shares as has on acquisition of the New Option an aggregate Market Value equal to the Market Value of the Share subject to the Old Option on its release;

(c) has an Acquisition Price per share such that the aggregate price payable on the complete exercise equals the aggregate price which would have been payable on complete exercise of the Old Option; and

(d) is otherwise identical in terms to the Old Option.

Where any New Options are granted pursuant to this Rule 9.1 they shall be regarded for the purposes of the subsequent application of the provisions of this Scheme as having been granted at the time when the corresponding Old Options were granted and, with effect from the date on which the New Options are granted, Rules 6, 7, 8, 9, 10, 14.2, 14.3, 14.4 and 14.5 (and, in relation to expressions used in those Rules, Rule 1) of this Scheme shall, in relation to the New Options, be construed as if references to Unum Group and to the Shares were references to the Acquiring Company and to shares in the Acquiring Company or, as the case may be, to the other company to whose shares the New Options relate and to the shares in that other company, but references to Constituent Company shall continue to be construed as defined herein.

9.2 As soon as practicable after having granted the New Option in accordance with the provisions of Rule 9.1 the Acquiring Company shall issue an Option Certificate in respect of such Option or shall procure that such an Option Certificate is issued. The Option Certificate shall state:

(a) the date on which the Old Option (which has been released in consideration of the grant of the New Option) was granted;

(b) the number and class of shares subject to the New Option;

(c) the Acquisition Price payable for each share under the New Option;

(d) the last date on which a notice exercising the New Option can be given,

and subject as aforesaid shall be issued in such form and manner as the board of Unum European Holding Company Limited may from time to time prescribe.

9.3 Where in accordance with Rule 9.1 Subsisting Options are released and New Options granted, the New Option shall not be exercisable in accordance with Rules 8.1 to 8.3 by virtue of the event by reason of which the New Options were granted.

10. VARIATION OF SHARE CAPITAL

10.1 In the event of any capitalisation, consolidation, sub-division, reorganization or reduction of the share capital of Unum Group and in respect of any discount element in any rights issue or any other variation in the share capital of Unum Group:

(a) the number and kind of Shares or other securities comprised in an Option;

(b) their Acquisition Price; and

(c) where an Option has been exercised but no Shares have been allotted or transferred in satisfaction of such exercise, the number and kind of Shares or other securities to be so allotted or transferred and their Acquisition Price, shall, subject to the prior approval of HMRC be varied in such manner as the board of Unum Group determines to be appropriate and (save in the event of a capitalisation) the Auditors shall confirm in writing to be in their opinion fair and reasonable, provided:

(a) that no variation shall be made which would result in the Acquisition Price for an allotted Share being less than its nominal value;

(b) the aggregate amount payable on the exercise of an Option in full is neither materially changed nor is increased beyond the expected repayment under the Savings Contract at the appropriate Bonus Date; and

(c) following the adjustment the Shares continue to satisfy the conditions specified in paragraphs 18 to 22 of Schedule 3.

10.2 The board of Unum Group may take such steps as it may consider necessary to notify Optionholders of any adjustments made under Rule 10.1 and to call in, cancel, endorse, issue or re-issue any Option Certificate consequent upon such adjustment.

11. ADMINISTRATION

11.1 The board of Unum Group shall have power from time to time

(a) to make and vary such regulations (not being inconsistent with this Scheme) for the implementation and administration of this Scheme as they think fit; and

(b) to delegate some or all of its powers to a Committee consisting of not less than one person including a direct delegate or an indirect delegate. A direct delegate for these purposes is the Human Capital Committee of Unum Group and an indirect delegate for these purposes is the CEO, or the Senior Vice President of Human Resources of Unum Group.

11.2 The decision of the board of Unum Group shall be final and binding in all matters relating to this Scheme (other than in the case of matters to be determined or confirmed by the Auditors in accordance with this Scheme).

11.3 The costs of establishing and administering this Scheme shall be borne by Unum European Holding Company Limited.

11.4 Neither Unum Group nor Unum European Holding Company Limited shall be obliged to provide Eligible Employees or Optionholders with copies of any notices circulars or other documents sent to stockholders of Unum Group.

12. DATA PROTECTION

By accepting the grant of an Option, each Optionholder agrees and consents to:

(a) the collection, use and processing by the Company, any other Constituent Company and any administrator of the Scheme of Personal Data relating to the Optionholder, for all purposes reasonably connected with the administration of this Scheme and the subsequent registration of the Optionholder or any other person as a holder of Shares acquired pursuant to the exercise of an Option;

(b) the Company, any other Constituent Company and any administrator of the Scheme transferring Personal Data to or between any such persons for all purposes reasonably connected with the administration of the Scheme;

(c) the use of such Personal Data by any such person for such purposes; and

(d) the transfer to and retention of such Personal Data by any third party for such purposes.

13. AMENDMENTS

13.1 The board of Unum Group may, prior to approval of this Scheme by HMRC under Schedule 3, alter the Rules of this Scheme as may be necessary in order to obtain such approval.

13.2 After the date on which this Scheme is approved by HMRC under Schedule 3, the Rules may be amended in any respect by resolution of the board of Unum Group provided that:

(a) where any alteration is to the material advantage of Eligible Employees or Optionholders or would increase the limit specified in Rule 5.1, it will not be effective without the prior approval of Unum Group in general meeting;

(b) where any amendment would abrogate or adversely affect the subsisting rights of Optionholders it will not be effective unless such amendment is approved by the board of Unum Group; and

(c) for so long as the board of Unum Group determine that this Scheme is to continue to be approved by HMRC under Schedule 3, no amendment to a Key Feature shall have effect until approved by HMRC.

except that any amendment or addition which the board of Unum Group consider necessary or desirable in order to:

(d) benefit the administration of this Scheme; or

(e) comply with or take account of the provisions or any proposed or existing legislation; or

(f) take account of any of the events mentioned in Rule 10; or

(g) obtain or maintain favourable tax or regulatory treatment (by, from or with respect to any taxing or revenue authority) for Unum Group, Unum European Holding Company Limited or any other Constituent Company or any Optionholder,

may be made by resolution of the board of Unum Group, or if authorised by the board of Unum Group, of the board of Unum European Holding Company Limited, provided that such amendments or additions do not affect a Key Feature of this Scheme. In any instance in this Section 13.2 in which the consent of the Board of Directors of Unum Group is required, its Human Resources Committee, comprised of independent directors of the Board of Directors Unum Group, shall have the authority and/or responsibility to act or refrain from any action assigned under these Rules to the Board of Directors of Unum Group in accordance with action of such Board of Directors granting such authority.

13.3 Written notice of any material amendments to this Scheme, meaning for purposes of this Rule 13 any amendment to a Key Feature, shall be given to all Optionholders by Unum European Holding Company Limited within a reasonable time after any such amendment is approved.

14. GENERAL

14.1 This Scheme shall commence upon the later of the date of approval by Unum Group in a general meeting and the date of its approval by HMRC and shall (unless previously terminated by a resolution of the board of Unum Group) terminate upon the expiry of the period of 5 years from such date. Upon termination (howsoever occurring) no further Options may be granted but such termination shall be without prejudice to any accrued rights in existence at the date thereof.

14.2 Unum Group will at all times keep available sufficient authorised and unissued Shares, or shall ensure that sufficient Shares will be available, to satisfy the exercise to the full extent still possible of all Subsisting Options, taking account of any other obligations of Unum Group to issue Shares.

14.3 Notwithstanding any other provisions of this Scheme:

(a) this Scheme shall not form part of any contract of employment or agreement for service or services between any Constituent Company and any employee or officer of any such company and the rights and obligations of any individual under the terms of his office or employment with any Constituent Company shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever;

(b) this Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against any Constituent Company directly or indirectly, or give rise to any cause of action at law or in equity against any Constituent Company; and

(c) no Optionholder shall be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Option in consequence of the loss or termination of his office or employment with any Constituent Company for any reason whatsoever.

14.4 Save as otherwise provided in this Scheme any notice or communication to be given to any Eligible Employee or Optionholder, but not including share certificates, may be personally delivered, sent by electronic means, posted to a website generally accessible to such eligible Employees and Optionholders, or sent by ordinary post to his last known address. A notice delivered personally shall be deemed to have been received upon the earlier of delivery in person, acceptance or refusal to accept such communication. Where a notice or communication is sent by post it shall be deemed to have been received 48 hours after the same was put into the post properly addressed and stamped. Where a notice is sent electronically or posted to a website a described herein, the notice shall be deemed to have been received 24 hours after the same was sent or posted, as the case may be. Share certificates shall be delivered personally or sent by ordinary post to his last known address where a notice or communication is sent by post it shall be deemed to have been received 48 hours after the same was put into the post properly addressed and stamped. Share certificates and other communications sent by post will be sent at the risk of the Eligible Employee or Optionholder concerned and neither Unum Group, Unum European Holding Company Limited or any Constituent Company shall have any liability whatsoever to any such person in respect of any notification, document, share certificate or other communication so given, sent to made.

14.5 All notices to be provided by any Eligible Employee or Optionholder or any representative thereof shall be delivered or sent to Unum European Holding Company Limited at its registered office and shall be effective upon receipt.

14.6 This Scheme and all Options granted under it shall be governed by and construed in accordance with English law.

14.7 Any dispute arising out of or in connection with this Scheme, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the London Court of International Arbitration Rules, which Rules are deemed to be incorporated by reference into this clause.

(a) the number of arbitrators shall be one;

(b) the seat, or legal place, of arbitration shall be London, England;

(c) the language to be used in the arbitral proceedings shall be English; and

(d) the governing law of the contract shall be the substantive law of England.

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Appendix B

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

	Year Ended December 31 2010 (in millions)
After-tax Operating Income, As Adjusted	$ 892.4
Net Realized Investment Gain	24.7
Income Tax on Net Realized Investment Gain	9.0
Tax Charge	(10.2)
Foreign Currency Fluctuation	(11.8)
Net Income	$ 886.1

	Year Ended December 31 2010 (in millions)
Core Operations	$ 1,317.0
Individual Disability - Closed Block	44.2
Corporate and Other	(54.6)
Total Operating Income by Segment	1,306.6
Net Realized Investment Gain	24.7
Income Tax	445.2
Net Income	$ 886.1

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Appendix C

Directions to the Annual Meeting

This year s Annual Meeting will be held in Chattanooga, Tennessee, at Unum Group s headquarters.

Directions from the Airport

Take Highway 153 South from Airport.

Take I-75 South to Chattanooga.

Take I-24 West to downtown Chattanooga.

Bear right and merge onto US-27 North.

Take the Fourth Street exit.

Turn right onto Walnut Street (fifth traffic light).

The visitors parking lot is at the end of the block on your left.

Directions from Atlanta and Knoxville

Take I-75 to Chattanooga.

Take I-24 West to Downtown Chattanooga.

Bear right and merge onto US-27 North.

Take the Fourth Street exit.

Turn right onto Walnut Street (fifth traffic light).

The visitors   parking lot is at the end of the block on your left.

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Electronic Voting Instructions

You can vote by Internet or telephone
Available 24 hours a day, 7 days a week

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 2:00 a.m. Eastern Time, on May 25, 2011.

Vote by Internet

Log on to the Internet and go to **www.envisionreports.com/unm**

Follow the steps outlined on the secured website.

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is **NO CHARGE** to you for the call.

Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. X

q **IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

A Proposals You must sign the card on the reverse side for your vote to be counted.

The Board of Directors recommends a vote FOR each of the nominees listed. +

1. Election of Directors:	For	Against	Abstain		For	Against	Abstain		For	Against	Abstain
01 - Jon S. Fossel	¨	¨	¨	02 - Gloria C. Larson	¨	¨	¨	03 - William J. Ryan	¨	¨	¨
04 - Thomas R. Watjen	¨	¨	¨								

The Board of Directors recommends a vote FOR Proposals 2, 4 and 5, and in favor of every 1 YEAR for Proposal 3.

	For	Against	Abstain		1 Yr	2 Yrs	3 Yrs	Abstain
2. To approve, on an advisory basis, the compensation of the company s named executive officers.	¨	¨	¨	3. To indicate, on an advisory basis, that future advisory votes on executive compensation be held every year, every two years or every three years.	¨	¨	¨	¨
	For	**Against**	**Abstain**			**For**	**Against**	**Abstain**
4. To approve the Unum European Holding Company Limited Savings-Related Share Option Scheme 2011.	¨	¨	¨	5. To ratify the appointment of Ernst & Young LLP as the company s independent registered public accounting firm for 2011.		¨	¨	¨

B Non-Voting Items

Change of Address Please print new address below.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.

01AV9C

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Admission Ticket

UNUM GROUP

ANNUAL MEETING OF SHAREHOLDERS

May 25, 2011

10:00 a.m. Eastern Time

1 Fountain Square

Chattanooga, Tennessee 37402

This admission ticket admits only the named shareholder.

If you plan on attending the Annual Meeting in person, please bring this Admission Ticket or proof of ownership of the Company s common stock and valid picture identification (such as a driver s license or passport).

If your shares are held beneficially in the name of a bank, broker or other holder of record and you plan to attend the Annual Meeting, a recent brokerage statement or letter from a bank or broker is an example of proof of ownership. If you arrive at the Annual Meeting without an admission ticket, we will admit you only if we are able to verify that you are a Company shareholder.

For your safety, we reserve the right to inspect all personal items prior to admission to the Annual Meeting.

Your compliance is appreciated.

q **IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.** q

Annual Meeting of Shareholders

May 25, 2011

10:00 a.m., Eastern Time

1 Fountain Square, Chattanooga, Tennessee 37402

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF UNUM GROUP

The undersigned hereby appoints Thomas R. Watjen and Liston Bishop III, or either of them, proxies, each with full power of substitution, acting jointly or by either of them if only one be present and acting, to vote and act with respect to all of the shares of common stock of the undersigned in Unum Group, at the Annual Meeting, upon all matters that may properly come before the meeting, including the matters described in the Proxy Statement furnished herewith, subject to the directions indicated on the reverse side of this card or through the telephone or Internet proxy procedures, and at the discretion of the proxies on any other matters that may properly come before the meeting. **If specific voting instructions are not given with respect to the matters to be acted upon and the signed card is returned, the proxies will vote in**

accordance with the Board of Directors recommendations provided on the reverse side of this card, and at their discretion on any other matters that may properly come before the meeting.

This proxy card, when signed and returned, will also constitute voting instructions to the trustee for shares held in the Unum Group 401(k) Retirement Plan or to the broker-dealer for shares held in the Employee Stock Purchase Plan. If voting instructions representing shares in the foregoing employee benefit plans are not received, those shares will not be voted.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR PROPOSALS 1, 2, 4 AND 5, AND IN FAVOR OF EVERY 1 YEAR FOR PROPOSAL 3. IF OTHER BUSINESS IS PROPERLY BROUGHT BEFORE THE MEETING, THE PROXIES WILL VOTE IN ACCORDANCE WITH THEIR BEST JUDGMENT.

C Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

PLEASE SIGN THIS PROXY EXACTLY AS YOUR NAME OR NAMES APPEARS HEREON. IF STOCK IS HELD JOINTLY, SIGNATURES SHOULD APPEAR FOR BOTH NAMES. WHEN SIGNING AS AN ATTORNEY, EXECUTOR, ADMINISTRATOR, TRUSTEE, GUARDIAN OR CUSTODIAN, PLEASE INDICATE THE CAPACITY IN WHICH YOU ARE ACTING.

Date (mm/dd/yyyy) Please print date below.	Signature 1 Please keep signature within the box.	Signature 2 Please keep signature within the box.
/ /		

¢ **IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.** +