

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 1995.

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

For the transition period from _____ to _____.

Commission file number 1-8729

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

Delaware

38-0387840

(State or other jurisdiction
of incorporation or organization)

(I.R.S. Employer
Identification No.)

Township Line and Union Meeting Roads
Blue Bell, Pennsylvania 19424

(Address of principal executive offices) (Zip Code)

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

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

Number of shares of Common Stock outstanding as of June 30, 1995: 171,354,354.

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Part I - FINANCIAL INFORMATION
Item 1. Financial Statements.

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEET
(Millions)

June 30,
1995 December 31,
(Unaudited) 1994

Assets

Current Assets

Cash and cash equivalents	\$ 962.4	\$ 868.4
Marketable securities	15.7	16.2
Accounts and notes receivable, net	1,090.7	945.1

Inventories		
Finished equipment and supplies	342.4	355.0
Work in process and raw materials	341.7	281.3
Deferred income taxes	281.4	310.5
Other current assets	92.3	98.3
Net assets of discontinued operations		526.5
	-----	-----
Total	3,126.6	3,401.3
	-----	-----
Long-term receivables, net	64.0	71.5
	-----	-----
Properties and rental equipment	2,141.0	2,209.9
Less-Accumulated depreciation	1,432.6	1,479.9
	-----	-----
Properties and rental equipment, net	708.4	730.0
	-----	-----
Cost in excess of net assets acquired	1,003.5	998.0
Investments at equity	366.4	315.8
Deferred income taxes	514.0	583.2
Other assets	1,108.9	1,093.6
	-----	-----
Total	\$6,891.8	\$7,193.4
	=====	=====

Liabilities and stockholders' equity

Current liabilities		
Notes payable	\$ 27.0	\$ 8.9
Current maturities of long-term debt		
Accounts payable	5.4	71.2
Other accrued liabilities	857.9	917.6
Dividends payable	890.2	1,123.6
Estimated income taxes	26.6	26.6
	182.5	237.7
	-----	-----
Total	1,989.6	2,385.6
	-----	-----
Long-term debt		
Other liabilities	1,873.5	1,864.1
Stockholders' equity	349.5	339.2
Preferred stock	1,570.3	1,570.3
Common stock, issued:		
1995, 172.2; 1994, 171.8	1.7	1.7
Retained earnings	70.2	45.7
Other capital	1,037.0	986.8
	-----	-----
Stockholders' equity	2,679.2	2,604.5
	-----	-----
Total	\$6,891.8	\$7,193.4
	=====	=====

<FN>

See notes to consolidated financial statements.

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UNISYS CORPORATION
CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
(Millions, except per share data)

	Three Months Ended June 30		Six Months Ended June 30	
	1995	1994	1995	1994
	-----	-----	-----	-----
Revenue				
Sales	\$ 656.0	\$ 691.5	\$1,309.3	\$1,346.8
Services	508.3	413.8	935.4	735.3
Equipment maintenance	331.5	336.2	658.2	665.2
	-----	-----	-----	-----
	1,495.8	1,441.5	2,902.9	2,747.3
	-----	-----	-----	-----
Costs and expenses				

Cost of sales	352.8	375.0	721.2	716.2
Cost of services	407.5	312.3	740.4	565.9
Cost of equipment maintenance	201.7	206.1	413.1	403.9
Selling, general and administrative	380.6	358.6	721.8	683.4
Research and development	87.5	111.8	184.3	227.6
	-----	-----	-----	-----
	1,430.1	1,363.8	2,780.8	2,597.0
	-----	-----	-----	-----
Operating income	65.7	77.7	112.1	150.3
Interest expense	51.1	50.9	101.6	102.9
Other income, net	46.0	4.2	88.5	31.2
	-----	-----	-----	-----
Income from continuing operations before income taxes	60.6	31.0	109.0	78.6
Estimated income taxes	20.8	8.3	37.1	21.3
	-----	-----	-----	-----
Income from continuing operations before extraordinary item	39.8	22.7	71.9	57.3
Income from discontinued operations		27.2	12.5	60.3
Extraordinary item				(7.7)
	-----	-----	-----	-----
Net income	39.8	49.9	84.4	109.9
Dividends on preferred shares	30.0	30.0	59.9	60.1
	-----	-----	-----	-----
Earnings on common shares	\$ 9.8	\$ 19.9	\$ 24.5	\$ 49.8
	=====	=====	=====	=====
Earnings per common share				
Primary				
Continuing operations	\$.06	\$ (.04)	\$.07	\$ (.02)
Discontinued operations		.16	.07	.35
Extraordinary item				(.04)
	-----	-----	-----	-----
Total	\$.06	\$.12	\$.14	\$.29
	=====	=====	=====	=====
Fully diluted				
Continuing operations	\$.06	\$ (.01)	\$.07	\$.03
Discontinued operations		.13	.07	.29
Extraordinary item				(.04)
	-----	-----	-----	-----
Total	\$.06	\$.12	\$.14	\$.28
	=====	=====	=====	=====

<FN>

See notes to consolidated financial statements.

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UNISYS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(Millions)

	Six Months Ended June 30	
	----- 1995 -----	----- 1994 -----
Cash flows from operating activities		
Income from continuing operations	\$ 71.9	\$ 57.3
Add (deduct) items to reconcile income from continuing operations to net cash used for operating activities:		
Effect of extraordinary item		(7.7)
Depreciation	106.8	108.2
Amortization:		
Marketable software	64.8	76.4
Cost in excess of net assets acquired	20.1	18.4
(Increase) in deferred income taxes	(7.4)	(8.8)
(Increase) decrease in receivables, net	(33.3)	22.4
(Increase) in inventories	(47.8)	(50.2)
(Decrease) in accounts payable and other accrued liabilities	(361.3)	(261.5)
(Decrease) in estimated income taxes	(41.9)	(19.1)
(Decrease) in other liabilities	(5.7)	(16.7)
(Increase) decrease in other assets	(50.2)	26.7

Other	23.6	5.2
	-----	-----
Net cash used for operating activities	(260.4)	(49.4)
	-----	-----
Cash flows from investing activities		
Proceeds from investments	1,483.9	742.6
Purchases of investments	(1,497.0)	(749.4)
Proceeds from marketable securities	2.0	182.3
Purchases of marketable securities		(92.3)
Proceeds from sales of properties	7.8	15.3
Investment in marketable software	(61.4)	(62.7)
Capital additions of properties and rental equipment	(101.9)	(88.5)
Purchase of company	(8.1)	
	-----	-----
Net cash used for investing activities	(174.7)	(52.7)
	-----	-----
Cash flows from financing activities		
Principal payments of debt	(67.2)	(139.5)
Net proceeds from short-term borrowings	18.1	4.3
Dividends paid on preferred shares	(59.9)	(168.0)
Other	2.5	2.9
	-----	-----
Net cash used for financing activities	(106.5)	(300.3)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	1.5	(11.6)
	-----	-----
Net cash used for continuing operations	(540.1)	(414.0)
	-----	-----
Discontinued operations		
Proceeds from sale	862.0	
Other	(227.9)	70.8
	-----	-----
Net cash provided by discontinued operations	634.1	70.8
	-----	-----
Increase (decrease) in cash and cash equivalents	94.0	(343.2)
Cash and cash equivalents, beginning of period	868.4	835.4
	-----	-----
Cash and cash equivalents, end of period	\$ 962.4	\$ 492.2
	=====	=====

<FN>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

- a. In May, 1995, the Company sold its defense business to Loral Corporation for cash of \$862 million. The Company's financial results of operations for the three months ended June 30, 1995 do not include the results of operations of its defense business or the impact of the sale. For periods prior to April 1, 1995 the net results of these defense operations have been reported separately as "income from discontinued operations". In addition, other financial statements have been restated to report the defense business as discontinued operations. The results of operations of this business for the three months ended June 30, 1995, and the impact of the sale, including any adjustments to the proceeds received for the defense business, will be reported in a future period as discontinued operations, following resolution of issues

arising from the purchase price adjustment process specified in the contract of sale.

The following is a summary of the results of operations of the Company's defense business (in millions of dollars):

	Year Ended Dec. 31, 1994	Three Months Ended June 30, 1994	Six Months Ended June 30, 1994	Three Months Ended March 31, 1995
Revenue	\$1,421.5	\$ 357.7	\$740.8	\$258.1
Operating income	\$ 151.6	\$ 41.4	\$ 91.8	\$ 25.7
Income before income taxes	\$ 138.6	\$ 39.2	\$ 86.9	\$ 19.0
Estimated income taxes	42.5	12.0	26.6	6.5
Net income	\$ 96.1	\$ 27.2	\$ 60.3	\$ 12.5

The net assets of discontinued operations at December 31, 1994 were as follows (in millions of dollars):

Current assets	\$266.7
Current liabilities	(123.8)
Property, plant and equipment, net	203.7
Cost in excess of net assets acquired	144.5
Other, net	35.4
Total	\$526.5

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

b. During the three months ended March 31, 1994, the Company recorded an extraordinary charge for repurchases of debt of \$7.7 million, net of \$5.1 million of income tax benefits, or \$.04 per fully diluted common share.

c. For the three and six months ended June 30, 1995 and 1994, the computation of primary earnings per share is based on the weighted average number of outstanding common shares and additional shares assuming the exercise of stock options. The computation of fully diluted earnings per share, for the three and six months ended June 30, 1994, assumes the conversion of the 8 1/4% Convertible Subordinated Notes due August 1, 2000. Such conversion was not assumed for the three and six months ended June 30, 1995 since it would have been antidilutive. None of periods presented below assumes conversion of the Series A Preferred Stock since this would have been antidilutive. The shares used in the computations are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30	
	1995	1994	1995	1994
Primary	172,150	172,245	171,986	172,788
Fully diluted	172,150	205,943	171,986	206,661

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Sale of Defense Systems

In May, 1995, the Company sold its defense business to Loral Corporation for cash of \$862 million. The Company expects that the proceeds from the sale will be used to strengthen its capital structure and invest in its businesses.

The Company's financial results of operations for the three months ended June 30, 1995 do not include the results of operations of its defense business or the impact of the sale. For periods prior to April 1, 1995 the net results of these defense operations have been reported separately as "income from discontinued operations". In addition, other financial statements have been restated to report the defense business as discontinued operations. The results of operations of this business for the three months ended June 30, 1995, and the impact of the sale, including any adjustments to the proceeds received for the defense business, will be reported in a future period as discontinued operations, following resolution of issues arising from the purchase price adjustment process specified in the contract of sale.

Results of Operations

For the three months ended June 30, 1995, the Company reported net income from continuing operations of \$39.8 million, or \$.06 per primary and fully diluted common share, compared to net income from continuing operations of \$22.7 million, or a loss of \$.04 per primary and \$.01 per fully diluted common share, for the three months ended June 30, 1994. Total net income in the year ago period was \$49.9 million, or \$.12 per primary and fully diluted share, including \$27.2 million, or \$.16 per primary and \$.13 per fully diluted share, from discontinued operations.

Revenue for the quarter ended June 30, 1995 was \$1.50 billion, up 4% from \$1.44 billion for the quarter ended June 30, 1994, principally as a result of foreign currency translation. Sales revenue declined 5% when compared to the prior year period as increases in sales of the departmental servers and desktop systems business segment were more than offset by decreases in enterprise systems and servers. Services revenue in the quarter increased 23% to \$508.3 million from \$413.8 million in last years' second quarter. Services revenue, which is the Company's single largest revenue stream, represented 34% of total revenue for the three months ended June 30, 1995 compared to 29% in the comparable period a year ago. Equipment maintenance revenue for the current quarter declined slightly from the prior year.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd).

Sales gross profit margin was 46% in both the current and prior year period. Services gross profit margin was 20% in the current quarter compared to 25% a year ago. The decline in services gross profit margin was mainly due to project costs adjustments. Business risks associated with services contracts, particularly large, multi-year, fixed-price systems integration contracts, may, from time to time, continue to create volatility in margins. Equipment maintenance gross profit margin was 39% in both the current and prior year period.

The total gross profit margin was 36% for the three months ended June 30, 1995 compared to 38% in the comparable period a year ago. The total gross profit margin is expected to continue to be pressured by competitive pricing and the continuing shift to lower-margin products and services.

In the second quarter of 1995, selling, general and administrative expenses were \$380.6 million compared to \$358.6 million in the second quarter of 1994. Approximately two-thirds of the increase was due to the effects of foreign currency translation with the remaining increase principally due to higher sales and marketing expenses.

Research and development expenses were \$87.5 million in the quarter

ended June 30, 1995 compared to \$111.8 million a year earlier. The reduction principally reflects the Company's move to common hardware platforms and technologies. Research and development expense as a percent of total revenue is expected to continue to decline consistent with the increasing proportion of revenue from the services business which requires less research and development expenditures.

As a result of the above, operating income was \$65.7 million in the current period (4.4% of revenue) compared to \$77.7 million last year (5.4% of revenue).

Other income in the three months ended June 30, 1995 was \$46.0 million compared to \$4.2 million in the three months ended June 30, 1994. The increase was principally due to higher royalty income from the Company's Japanese joint venture, higher interest income and favorable foreign currency translation.

It is the Company's policy to minimize its exposure to foreign currency fluctuations. Due to a significant weakening of the U.S. dollar compared to foreign currencies, foreign currency changes had a positive effect on net income when compared to the year-ago quarter.

Income from continuing operations before income taxes was \$60.6 million in the current quarter compared to \$31.0 million a year earlier.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd).

Financial Condition

During the six months ended June 30, 1995, cash used for operating activities was \$260.4 million compared to \$49.4 million during the six months ended June 30, 1994. The increase in cash used was due in large part to a reduction in payables, an increase in income tax payments and management's decision to reduce the level of accounts receivable discounting.

Investments in properties and rental equipment during the first half of 1995 were \$101.9 million compared to \$88.5 million in the prior year.

At June 30, 1995, total debt was \$1.91 billion, a decrease of \$38.3 million from December 31, 1994. Cash, cash equivalents and marketable securities at June 30, 1995 were \$978.1 million compared to \$884.6 million at December 31, 1994. During the six months ended June 30, 1995, debt net of cash and marketable securities decreased \$131.8 million to \$927.8 million. As a percent of total capital, debt net of cash and marketable securities was 26% at June 30, 1995 compared to 29% at December 31, 1994.

During the six months ended June 30, 1995 and 1994, the Company retired \$67.2 million and \$139.5 million principal amount of debt securities, respectively. The Company intends, from time to time, to continue to redeem or repurchase its securities in the open market or in privately negotiated transactions depending upon availability, market conditions, and other factors.

The Company has on file with the Securities and Exchange Commission an effective registration statement covering \$500 million of debt or equity securities. The registration statement enables the Company to be prepared for future market opportunities. Proceeds from future offerings of these securities are anticipated to be used for general corporate purposes, including reduction or refinancing of debt.

During the first quarter of 1995, the Company amended its revolving credit agreement to increase the amount available for borrowing to \$325 million from \$300 million and to extend the term until May 31, 1996. This agreement provides for short-term borrowings and up to \$100 million of letters of credit. During the first half of 1995,

there were no borrowings under this agreement.

Dividends paid on preferred stock amounted to \$59.9 million during the six months ended June 30, 1995 compared to \$168.0 million in the year-ago period. The prior year amount included payment for preferred dividend arrearages.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Cont'd).

Net cash provided by the discontinued defense operations during the six months ended June 30, 1995 was \$634.1 million consisting of \$862.0 million proceeds from the sale offset by cash used of \$227.9 million. A significant portion of the cash usage is expected to be recovered upon completion of the purchase price adjustment process.

Stockholders' equity increased \$74.7 million during the first half to \$2,679.2 million, principally reflecting net income of \$84.4 million and favorable foreign currency translation of \$47.9 million offset by preferred dividends of \$59.9 million.

At June 30, 1995, the Company had deferred tax assets in excess of deferred tax liabilities of \$1,057 million. For the reasons cited below, management believes that it is more likely than not that \$730 million of such assets will be realized, therefore resulting in a valuation allowance of \$327 million. In assessing the likelihood of realization of this asset, the Company has considered various factors including its forecast of future taxable income and available tax planning strategies that could be implemented to realize deferred tax assets.

The principal basis used to assess the likelihood of realization was the Company's forecast of future taxable income which was adjusted by applying probability factors to the achievement of this forecast. Forecasted taxable income is expected to arise from ordinary and recurring operations and to be sufficient to realize the entire amount of net deferred tax assets. Approximately \$2.1 billion of future taxable income (predominantly U.S.) is needed to realize all of the net deferred tax assets.

The Company's net deferred tax assets include substantial amounts of net operating loss and tax credit carryforwards. The major portion of such carryforwards expire in 1998 and beyond. In addition, substantial amounts of foreign net operating losses have an indefinite carryforward period. Failure to achieve forecasted taxable income might affect the ultimate realization of the net deferred tax assets. In recent years, the information management business has undergone dramatic changes and there can be no assurance that in the future there would not be increased competition or other factors which may result in a decline in sales or margins, loss of market share, or technological obsolescence. The Company will evaluate quarterly the realizability of its net deferred tax assets by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary.

The Company expects to settle certain open tax years with the Internal Revenue Service in 1996. It is expected that such settlements will result in cash payments of approximately \$130 million (including interest). These payments will not affect earnings since provision for these taxes has been made in prior years.

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Part II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

- (a) The Company's 1995 Annual Meeting of Stockholders (the "Annual Meeting") was held on April 27, 1995 in Philadelphia, Pennsylvania.
- (c) The following matters were voted upon at the Annual Meeting and received the following votes:

1. Election of Directors as follows:

Theodore E. Martin -- 136,491,623 votes for; 6,197,650 votes withheld

Alan E. Schwartz -- 135,904,176 votes for; 6,785,097 votes withheld

James A. Unruh -- 135,484,597 votes for; 7,204,676 votes withheld

2. A proposal to ratify the selection of the Company's independent auditors for 1995 -- 139,225,407 votes for; 2,434,250 votes against; 1,029,616 abstentions
3. A stockholder proposal concerning executive compensation -- 17,496,151 votes for; 77,302,041 votes against; 3,645,695 abstentions; 44,245,386 broker non-votes.
4. A stockholder proposal concerning Company matching contributions -- 21,629,665 votes for; 72,637,257 votes against; 4,176,965 abstentions; 44,245,386 broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

See Exhibit Index.

(b) Reports on Form 8-K

During the quarter ended June 30, 1995, the Company filed one Current Report on Form 8-K dated June 27, 1995 to report under Item 5 of that Form.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNISYS CORPORATION

Date: August 14, 1995

By: /s/ Deborah C. Hopkins

Deborah C. Hopkins
Vice President and
Controller
(Chief Accounting Officer)

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EXHIBIT INDEX

Exhibit Number -----	Description -----
3	Bylaws of Unisys Corporation as amended through May 25, 1995
10.1	Form of Executive Employment Agreement
10.2	Amendment dated May 25, 1995 to the 1990 Unisys Long-Term Incentive Plan
10.3	Amendment dated May 25, 1995 to the Unisys Elected Officer Pension Plan

10.4	Amendment dated as of July 28, 1995 to Employment Agreement dated August 10, 1994 between Unisys Corporation and James A. Unruh
11.1	Statement of Computation of Earnings Per Share for the six months ended June 30, 1995 and 1994.
11.2	Statement of Computation of Earnings Per Share for the three months ended June 30, 1995 and 1994
12	Statement of Computation of Ratio of Earnings to Fixed Charges
27	Financial Data Schedule

UNISYS CORPORATION

BYLAWS

ARTICLE I

Stockholders

SECTION 1. Annual Meeting of Stockholders.

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

SECTION 2. Special Meetings of Stockholders.

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

SECTION 3. Stockholder Action.

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

SECTION 4. Place of Meeting.

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

SECTION 5. Notice of Business to be Transacted.

(a) Annual Meetings.

(1) Nominations of persons for election to the Board of Directors of the Corporation shall be made pursuant to Article II, Section 5 of these bylaws. The proposal of business other than director nominations to be transacted by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice with respect to such meeting, (b) by or at the direction of the Board of Directors, or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of the notice provided for in these bylaws, who is entitled to vote at the meeting and who has complied with the notice procedures set forth in this section.

(2) For business other than director nominations to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (1) of this section, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such business must be a proper matter for stockholder action under the Delaware General Corporation Law (the "GCL"). To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not less than 90 days prior to the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that in the event that the date of the annual meeting is more than 30 days prior to or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the 90th day prior to such annual

meeting or later than the 7th day following the day on which notice of the date of such meeting is first given. Such stockholder's notice shall set forth (a) as to any business that the stockholder proposes to bring before the meeting, a brief description of such business, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (b) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

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

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

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

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

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

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

shall govern and control the decision of the question.

SECTION 7. Organization and Conduct of Business.

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

SECTION 8. Voting.

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

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

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

SECTION 9. Voting Lists.

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

SECTION 10. Inspectors of Election.

(a) Appointment. All elections of directors shall be by written ballot. In advance of any meeting of stockholders the Board of Directors shall appoint one or more inspectors to act at the meeting. No person who is a candidate for office shall act as an inspector. In case any person appointed as an inspector fails

to appear or fails or refuses to act, the vacancy may be filled by appointment made by the Board of Directors in advance of the convening of the meeting, or at the meeting by the chairman of the meeting.

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

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

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

ARTICLE II

Directors

SECTION 1. Number.

The business and affairs of the Corporation shall be managed under the direction of the Board of Directors which, subject to any right of the holders of any series of Preferred Stock then outstanding to elect additional directors under specified circumstances, shall consist of not less than 10 nor more than 20 persons. The exact number of directors within the minimum and maximum limitations specified in the preceding sentence shall be fixed from time to time by the Board of Directors pursuant to a resolution adopted by a majority of the entire Board of Directors.

SECTION 2. Terms.

The directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, shall be divided into three classes, as nearly equal in number as possible, with the term of office of the first class to expire at the 1985 Annual Meeting of Stockholders, the term of office of the second class to expire at the 1986 Annual Meeting of Stockholders and the term of office of the third class to expire at the 1987 Annual Meeting of Stockholders. At each Annual Meeting of Stockholders following such initial classification and election, directors elected to succeed those directors whose terms expire shall be elected for a term of office to expire at the third succeeding Annual Meeting of Stockholders after their election.

SECTION 3. Newly Created Directorships and Vacancies.

Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled by a majority vote of the directors then in office, and directors so chosen shall hold office for a term expiring at the Annual Meeting of Stockholders at which the

term of the class to which they have been elected expires. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

SECTION 4. Removal.

Subject to the rights of the holders of any series of Preferred Stock then outstanding, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least 80% of the voting power of all of the shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

SECTION 5. Nomination of Director Candidates.

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

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

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

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

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

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

SECTION 6. Organization.

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

SECTION 7. Regular Meetings.

Regular meetings of the Board of Directors shall be held at

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

SECTION 8. Special Meetings.

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

SECTION 9. Quorum, Manner of Acting and Adjournment.

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

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

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

SECTION 10. Committees of the Board of Directors.

(a) Establishment and Powers. The Board of Directors may, by resolution adopted by a majority of the whole Board, establish one or more committees, each committee to consist of one or more directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee and the alternate or alternates, if any, designated for such member, the member or members of the committee present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member. Subject to the provisions of the GCL, committees established by the Board of Directors shall have such power and authority as provided by resolution of the board. Each committee so formed shall have such name as may be determined from time to time by resolution adopted by the Board of Directors and shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

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

the writing or writings are filed with the minutes of the proceedings of such committee.

SECTION 11. Compensation of Directors.

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

ARTICLE III

Notice - Waivers - Meetings

SECTION 1. Notice, What Constitutes.

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

SECTION 2. Notice of Meetings of Board of Directors.

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

SECTION 3. Notice of Meetings of Stockholders.

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

SECTION 4. Waivers of Notice.

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

(b) Waiver by Attendance. Attendance of a person at a meeting, either in person or by proxy, shall constitute a waiver of notice of such meeting, except where a person attends a meeting for

the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE IV

Officers

SECTION 1. Number, Qualifications and Designation.

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

SECTION 2. Election and Term of Office.

The officers of the Corporation, except those appointed by delegated authority pursuant to Section 3 of this Article IV, shall be elected annually by the Board of Directors, and each such officer shall hold office for a term of one year and until a successor is elected and qualified, or until his or her earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Any officer may be removed from office at any time by the affirmative vote of a majority of the directors then in office.

SECTION 3. Other Officers, Committees and Agents.

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

SECTION 4. The Chairman and Vice Chairman of the Board.

The Chairman of the Board shall be the chief executive officer of the Corporation and, in that capacity, shall have general responsibility for the management and control of the business of the Corporation and shall perform all duties and have all powers that are commonly incident to the office of chief executive officer. He or she shall preside at all meetings of the stockholders and of the Board of Directors and shall perform such other duties as may from time to time be assigned to him or her by the Board of Directors. The Vice Chairman of the Board, if there be one, shall perform such duties as may be delegated to him or her by the Board of Directors or by the chief executive officer.

SECTION 5. The President.

The President shall perform such duties as from time to time may be assigned by the Board of Directors or by the chief executive officer.

SECTION 6. The Vice Presidents.

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

SECTION 7. The Secretary.

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

SECTION 8. The Treasurer.

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

SECTION 9. The Controller.

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

SECTION 10. General Counsel.

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

SECTION 11. Officers' Bonds.

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

SECTION 12. Compensation.

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

ARTICLE V

Certificates of Stock, Transfer, Etc.

SECTION 1. Form and Issuance.

(a) Issuance and Form. The shares of the capital stock of the Corporation shall be represented by certificates in such form as shall be approved by the Board of Directors. The certificates shall be signed by the Chairman or the President or any Vice President and by the Treasurer or the Secretary.

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

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

SECTION 2. Transfer of Stock.

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

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

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

SECTION 4. Record Holder of Shares.

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

SECTION 5. Determination of Stockholders of Record.

(a) Meetings of Stockholders. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than ten days before the date of such

meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting.

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

ARTICLE VI

General Provisions

SECTION 1. Dividends.

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

SECTION 2. Contracts.

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

SECTION 3. Corporate Seal.

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

SECTION 4. Amendment of Bylaws.

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

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

The Chairman of the Board, the Vice Chairman of the Board, the President, any Vice President, the Treasurer or Secretary, or such other person appointed by such officer or the Board of Directors, shall have the power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other

corporation in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which the Corporation may possess by reason of its ownership of securities in such other corporation. The Corporation shall not directly or indirectly vote any shares issued by it.

SECTION 6. Fiscal Year.

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

SECTION 7. Time Periods.

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

SECTION 8. Confidentiality Policies.

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

EMPLOYMENT AGREEMENT

AGREEMENT by and between Unisys Corporation, a Delaware corporation (the "Company") and [NAME] (the "Executive"), dated as of the [DATE].

The Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations. Therefore, in order to accomplish these objectives, the Board has caused the Company to enter into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Certain Definitions. (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b)) on which a Change of Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control or (ii) otherwise arose in connection with or anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on the third anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), unless previously terminated, the Change of Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to the Executive that the Change of Control Period shall not be so extended.

2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee

benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2; or

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

3. Employment Period. The Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the third anniversary of such date (the "Employment Period").

4. Terms of Employment. (a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the

Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid at a monthly rate, at least equal to twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (the "Annual Bonus") in cash at least equal to the Executive's highest bonus under the Company's Executive Variable Compensation Plan, or any comparable bonus or retention amount under any predecessor or successor plan or retention agreement, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Executive was not employed by the Company for the whole of such fiscal year) (the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately

preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

5. Termination of Employment. (a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give to the Executive written notice in accordance with Section 12(b) of this Agreement of its intention to

terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of the Executive, shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not

occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) the Company's requiring the Executive to be based at any office or location other than as provided in Section 4(a)(i)(B) hereof or the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

(iv) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement; or

(v) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive. Anything in this Agreement to the contrary notwithstanding, a termination by the Executive for any reason during the 30-day period immediately following the first anniversary of the Effective Date shall be deemed to be a termination for Good Reason for all purposes of this Agreement.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than thirty days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination and (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination. (a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination the aggregate of the following amounts:

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof

which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being referred to as the "Highest Annual Bonus") and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) three and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Highest Annual Bonus; and

C. an amount equal to the excess of (a) the actuarial equivalent of the benefit under the Company's qualified defined benefit retirement plan (the "Retirement Plan") (utilizing actuarial assumptions no less favorable to the Executive than those in effect under the Company's Retirement Plan immediately prior to the Effective Date), and any excess or supplemental retirement plan in which the Executive participates (together, the "SERP") which the Executive would receive if the Executive's employment continued for three years after the Date of Termination assuming for this purpose that all accrued benefits are fully vested, and, assuming that the Executive's compensation in each of the three years is that required by Section 4(b)(i) and Section 4(b)(ii), over (b) the actuarial equivalent of the Executive's actual benefit (paid or payable), if any, under the Retirement Plan and the SERP as of the Date of Termination;

(ii) for three years after the Executive's Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the plans, programs, practices and policies described in Section 4(b)(iv) of this Agreement if the Executive's employment had not been terminated or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families, provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. For purposes of determining eligibility (but not the time of commencement of benefits) of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until three years after the Date of Termination and to have retired on the last day of such period;

(iii) the Company shall, at its sole expense as incurred, provide the Executive with outplacement services the scope and provider of which shall be selected by the Executive in his sole discretion; and

(iv) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the

Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive's estate and/or the Executive's beneficiaries, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their beneficiaries.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(c) shall include, and the Executive shall be entitled to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its affiliated companies and their families.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations to the Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise

entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code").

9. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Notwithstanding the foregoing provisions of this Section 9(a), if it shall be determined that the Executive is entitled to a Gross-Up Payment, but that the Executive, after taking into account the Payments and the Gross-Up Payment, would not receive a net after-tax benefit of at least \$50,000 (taking into account both income taxes and any Excise Tax) as compared to the net after-tax proceeds to the Executive resulting from an elimination of the Gross-Up Payment and a reduction of the Payments, in the aggregate, to an amount (the "Reduced Amount") such that the receipt of Payments would not give rise to any Excise Tax, then no Gross-Up Payment shall be made to the Executive and the Payments, in the aggregate, shall be reduced to the Reduced Amount.

(b) Subject to the provisions of Section 9(c), all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Ernst & Young LLP or such other certified public accounting firm as may be designated by the Executive (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event

that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall

indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Agreement are not part of the

provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Name
Address1
City State PostalCode

If to the Company:

Township Line & Union Meeting Roads
P.O. Box 500
Blue Bell, Pennsylvania 19424
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof, prior to the Effective Date, the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

[NAME]

UNISYS CORPORATION

By: _____
James A. Unruh
Chairman of the Board
and Chief Executive Officer

RESOLVED, that Section 2.07 of the 1990 Unisys Long-Term Incentive Plan be, and hereby is, amended and restated, effective May 25, 1995, to read as follows:

"2.07 Change in Control means any of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2.07; or

(b) Individuals who, as of May 25, 1995, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares

of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company."

UNISYS ELECTED OFFICER PENSION PLAN

RESOLVED, that Section 2.20 of the Unisys Elected Officer Pension Plan be, and it hereby, is amended and restated, effective May 25, 1995, to read as follows:

"2.20 Change in Control means any of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2.20; or

(b) Individuals who, as of May 25, 1995, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly,

20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company."

July 28, 1995

James A. Unruh
Chairman and Chief Executive Officer
Unisys Corporation
P.O. Box 500
Blue Bell, PA 19424

Dear Jim:

This letter agreement serves to amend the letter of August 10, 1994, as follows:

1. Section 7(f) is deleted.
2. Section 14 is amended to read as follows:

"14. Other Agreements. It is not intended that you shall receive duplicate rights and benefits under this Agreement and any other agreement, contract, plan, or other arrangement with, or sponsored by, the Corporation. This Agreement supersedes and replaces all prior understandings and agreements between you and the Corporation except for your Executive Employment Agreement dated July 28, 1995 (the "Executive Employment Agreement"). In the event that your Executive Employment Agreement becomes effective, you shall continue to be covered under this Agreement and the Executive Employment Agreement, but you shall not be entitled to receive duplicate payments or benefits under both agreements. With respect to any individual item of compensation or benefit entitlement, or other employment term that is covered under both agreements, you shall be covered by the agreement term that is more favorable to you or provides you with the greater amount or benefit, as determined by the Accounting Firm."

If the following is acceptable to you, please sign and return the enclosed copy of this agreement.

Very truly yours,

UNISYS CORPORATION

THE FOREGOING IS ACCEPTED:

Kenneth A. Macke, Chairman
Compensation and Organization
Committee

James A. Unruh

UNISYS CORPORATION
STATEMENT OF COMPUTATION OF EARNINGS PER SHARE
FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND 1994
(UNAUDITED)
(Millions, except share data)

Primary Earnings Per Common Share	1995 -----	1994 -----
Average Number of Outstanding Common Shares	171,083,414	170,618,828
Additional Shares Assuming Exercise of Stock Options	902,171	2,169,494
	-----	-----
Average Number of Outstanding Common Shares and Common Share Equivalents	171,985,585	172,788,322
	=====	=====
Income From Continuing Operations Before Extraordinary Item	\$ 71.9	\$ 57.3
Dividends on Series A, B and C Preferred Stock	(59.9)	(60.1)
	-----	-----
Primary Earnings on Common Shares Before Discontinued Operations and Extraordinary Item	12.0	(2.8)
Income From Discontinued Operations Extraordinary Item	12.5	60.3
	-----	-----
Primary Earnings on Common Shares	\$ 24.5	\$ 49.8
	=====	=====
Primary Earnings Per Common Share		
Continuing Operations	\$.07	\$(.02)
Discontinued Operations	.07	.35
Extraordinary Item		(.04)
	-----	-----
Total	\$.14	\$.29
	=====	=====
Fully Diluted Earnings Per Common Share		
Average Number of Outstanding Common Shares and Common Share Equivalents	171,985,585	172,788,322
Additional Shares:		
Assuming Conversion of 8 1/4% Convertible Notes	33,697,387	33,698,698
Attributable to Stock Options	52,488	174,229
	-----	-----
Common Shares		
Outstanding Assuming Full Dilution	205,735,460	206,661,249
	=====	=====
Primary Earnings on Common Shares Before Discontinued Operations and Extraordinary Item	\$ 12.0	\$(2.8)
Interest Expense on 8 1/4% Convertible Notes, Net of Applicable Tax	8.9	8.9
	-----	-----
Fully Diluted Earnings on Common Shares Before Discontinued Operations and Extraordinary Item	20.9	6.1
Income From Discontinued Operations Extraordinary Item	12.5	60.3
	-----	-----
Fully Diluted Earnings on Common Shares	\$33.4	\$58.7
	=====	=====
Fully Diluted Earnings per Common Share		
Continuing Operations	\$.10	\$.03
Discontinued Operations	.06	.29
Extraordinary Item		(.04)
	-----	-----
Total	\$.16	\$.28
	=====	=====

Earnings Per Common Share As Reported

Primary

Continuing Operations	\$.07	\$ (.02)
Discontinued Operations	.07	.35
Extraordinary Item		(.04)
	-----	-----
Total	\$.14	\$.29
	=====	=====

Fully Diluted

Continuing Operations	\$.07	\$.03
Discontinued Operations	.07	.29
Extraordinary Item		(.04)
	-----	-----
Total	\$.14	\$.28
	=====	=====

UNISYS CORPORATION
 STATEMENT OF COMPUTATION OF EARNINGS PER SHARE
 FOR THE THREE MONTHS ENDED JUNE 30, 1995 AND 1994
 (UNAUDITED)
 (Millions, except share data)

Primary Earnings Per Common Share	1995	1994
	-----	-----
Average Number of Outstanding Common Shares	171,178,670	170,746,889
Additional Shares Assuming Exercise of Stock Options	971,554	1,498,461
	-----	-----
Average Number of Outstanding Common Shares and Common Share Equivalents	172,150,224	172,245,350
	=====	=====
Income From Continuing Operations	\$ 39.8	\$ 22.7
Dividends on Series A, B and C Preferred Stock	(30.0)	(30.0)
	-----	-----
Primary Earnings on Common Shares Before Discontinued Operations	9.8	(7.3)
Income From Discontinued Operations		27.2
	-----	-----
Primary Earnings on Common Shares	\$ 9.8	\$ 19.9
	=====	=====
Primary Earnings Per Common Share		
Continuing Operations	\$.06	\$(.04)
Discontinued Operations		.16
	-----	-----
Total	\$.06	\$.12
	=====	=====
Fully Diluted Earnings Per Common Share		
Average Number of Outstanding Common Shares and Common Share Equivalents	172,150,224	172,245,350
Additional Shares:		
Assuming Conversion of 8 1/4% Convertible Notes	33,697,387	33,697,762
Attributable to Stock Options	91,173	
	-----	-----
Common Shares Outstanding Assuming Full Dilution	205,938,784	205,943,112
	=====	=====
Primary Earnings on Common Shares Before Discontinued		
Operations	\$ 9.8	\$(7.3)
Interest Expense on 8 1/4% Convertible Notes, Net of Applicable Tax		4.5
	-----	-----
Fully Diluted Earnings on Common Shares Before Discontinued Operations	14.3	(2.8)
Income From Discontinued Operations		27.2
	-----	-----
Fully Diluted Earnings on Common Shares	\$14.3	\$24.4
	=====	=====
Fully Diluted Earnings per Common Share		
Continuing Operations	\$.07	\$ (.01)
Discontinued Operations		.13
	-----	-----
Total	\$.07	\$.12
	=====	=====
Earnings Per Common Share As Reported		
Primary		
Continuing Operations	\$.06	\$ (.04)
Discontinued Operations		.16
	-----	-----

Total	\$.06	\$.12
	=====	=====
Fully Diluted		
Continuing Operations	\$.06	\$ (.01)
Discontinued Operations		.13
	-----	-----
Total	\$.06	\$.12
	=====	=====

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

	Six Months Ended June 30,	Years Ended December 31				
	1995	1994	1993	1992	1991	1990
Income (loss) from continuing operations before income taxes	\$109.0	\$ 14.6	\$370.9	\$301.3	\$(1,425.6)	\$(456.8)
Add (deduct) share of loss (income) of associated companies	(11.5)	16.6	14.5	3.2	(6.5)	(51.8)
Subtotal	97.5	31.2	385.4	304.5	(1,432.1)	(508.6)
Interest expense (net of interest capitalized)	101.6	203.7	241.7	340.6	407.6	446.7
Amortization of debt issuance expenses	3.0	6.2	6.6	4.8	1.8	1.5
Portion of rental expense representative of interest	32.5	65.0	70.5	78.8	80.9	77.0
Total Fixed Charges	137.1	274.9	318.8	424.2	490.3	525.2
Earnings (loss) from continuing operations before income taxes and fixed charges	\$234.6	\$306.1	\$704.2	\$728.7	\$(941.8)	\$16.6
Ratio of earnings to fixed charges	1.71	1.11	2.21	1.72	(a)	(a)

<FN>

(a) Earnings in 1991 and 1990 were inadequate to cover fixed charges by approximately \$1,432.1 million and \$508.6 million, respectively.

<ARTICLE> 5
 <LEGEND> THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED
 FROM THE COMPANY'S FINANCIAL STATEMENTS INCLUDED IN THE
 COMPANY'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED
 JUNE 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE
 TO SUCH FINANCIAL STATEMENTS.
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