

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported) July 15, 2004

UNISYS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

1-8729

38-0387840

(State or Other
Jurisdiction of
Incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

Unisys Way,
Blue Bell, Pennsylvania 19424

(Address of Principal Executive Offices) (Zip Code)

(215) 986-4011

(Registrant's telephone number, including area code)

Item 7. Exhibits.

(c) The following exhibit is being furnished herewith:

99 News Release, dated July 15, 2004, of Unisys Corporation

Item 12. Results of Operations and Financial Condition.

On July 15, 2004, Unisys Corporation issued a news release to report its financial results for the quarter ended June 30, 2004. The release is furnished as Exhibit 99 to this Current Report.

The information in this Current Report, including the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information contained herein and in the accompanying Exhibit shall not be incorporated by reference into any registration statement or other document filed with the Securities and Exchange Commission by Unisys Corporation, whether before or after the date hereof, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

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 hereunto duly authorized.

UNISYS CORPORATION

Date: July 15, 2004

By: /s/ Janet B. Haugen

Janet B. Haugen
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit
No.
- - - - -

99 News Release, dated July 15, 2004, of Unisys Corporation.

UNISYS

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UNISYS REPORTS SECOND-QUARTER 2004 EARNINGS

BLUE BELL, Pa., July 15, 2004 - Unisys Corporation (NYSE: UIS) today reported second-quarter 2004 net income of \$36.3 million, or 11 cents per diluted share, compared with second-quarter 2003 net income of \$47.2 million, or 14 cents per diluted share, excluding the impact of pension accounting in both years. In the second quarter of 2004, pension expense was \$24.8 million compared with pension income of \$7.9 million in the prior-year quarter. On a GAAP basis including pension accounting in both periods, net income for the second quarter of 2004 was \$19.4 million, or 6 cents per diluted share, compared with net income of \$52.5 million, or 16 cents per diluted share, in the year-ago period. Revenue for the second quarter of 2004 declined 3% to \$1.39 billion from revenue of \$1.43 billion in the second quarter of 2003. Currency had a 4 percentage-point positive impact on the company's revenue in the second quarter, reflecting a weak U.S. dollar against most major currencies worldwide.

COMMENTS FROM CHAIRMAN AND CEO LARRY WEINBACH

"This was a disappointing quarter for Unisys, particularly given the track record of consistency that Unisys had shown in meeting or exceeding our earnings forecasts over the past several years," said Unisys Chairman and CEO Lawrence A. Weinbach. "Late in the quarter we saw an unexpected slowdown, especially in infrastructure services projects and in enterprise servers. This resulted in deferrals and delays of certain technology contracts and services projects late in the quarter, leading to results that were below our original expectations as communicated in April.

"However, we did see continued growth in business process outsourcing (BPO) and in consulting and systems integration, two areas of strategic focus for the company. We were also encouraged by double-digit growth in our services orders year-over-year, driven by outsourcing, as we closed several key long-term contracts in the quarter."

Unisys said major services orders booked in the second quarter included a contract with the state of Louisiana valued at about \$162 million over the base five-year period to provide Medicaid administration services for the Louisiana Department of Health and Hospitals; with all options included, the contract could be worth in excess of \$300 million over a 10-year period. Other significant orders in the quarter included a five-year contract valued at approximately \$27 million to provide managed services for a major U.S. financial institution; a two-year contract extension worth over \$60 million with Caixa Economica Federal of Brazil to support the bank's home loan operations; and a five-year, approximately \$50 million contract to provide infrastructure management and support services for a major European financial institution.

SECOND-QUARTER COMPANY HIGHLIGHTS

On a geographic basis, U.S. revenue declined 5% to \$634 million. Revenue in international markets was flat in the quarter at \$754 million, as growth in Europe offset revenue declines in other international regions.

Overall orders showed growth in the quarter. Services orders showed double-digit growth, driven by outsourcing, while technology orders declined.

Excluding the impact of pension accounting in both periods, the company's second-quarter 2004 gross profit margin improved slightly over the prior year to 27.7% while the second-quarter operating margin declined 210 basis points year-over-year to 3.4%. On a reported basis including the impact of pension accounting in both years, the second-quarter 2004 gross margin declined from 27.5% a year ago to 26.4% and operating margin declined from 6.0% to 1.6%.

SG&A expenses, excluding the impact of pension accounting, represented 19.3% of revenue in the second quarter of 2004, compared with 17.2% of revenue in the year-ago quarter. Including pension expense, SG&A expenses represented 19.7% of revenue in the quarter as compared with 17.0% of revenue a year ago. The higher SG&A expenses in the quarter were due in large part to foreign

exchange currency impacts.

Other income of \$24.0 million in the second quarter, compared to \$10.6 million in the second quarter of 2003, primarily reflected foreign exchange gains in the current quarter compared to foreign exchange losses a year ago.

SECOND-QUARTER BUSINESS SEGMENT HIGHLIGHTS

Customer revenue in the company's services segment was flat in the second quarter of 2004 compared to the year-ago period, as growth in consulting and systems integration offset double-digit revenue declines in infrastructure services. Outsourcing revenue was down slightly in the quarter, with double-digit growth in BPO offset by revenue declines in infrastructure managed services and data center outsourcing. Excluding the impact of pension accounting in both periods, services gross profit margin was flat in the quarter at 20.0%, while services operating margin declined to 2.5% from 5.2% a year ago. On a reported basis including the impact of pension accounting, gross profit margin in the services business declined from 20.0% to 18.5% and services operating margin declined from 5.5% to 0.7%.

Customer revenue in the company's technology segment declined 12% in the second quarter, reflecting single-digit declines in enterprise servers and double-digit declines in specialized technologies. In the enterprise server area, ClearPath sales showed single-digit declines while sales of Intel-based ES7000 servers rose slightly from the year-ago period. Excluding the impact of pension accounting in both periods, technology gross margin improved to 53.5% in the second quarter of 2004 from 46.4% in the year-ago quarter, reflecting a richer mix of enterprise server sales. Technology operating margin improved slightly to 6.7% compared with 6.4% in the year-ago period. On a reported basis including the impact of pension accounting, technology gross margin improved from 46.6% to 53.3% and operating margin declined from 7.8% to 5.4%.

CASH FLOW HIGHLIGHTS

Unisys generated \$98 million of cash flow from operations in the second quarter compared with \$113 million in the year-ago quarter. Capital expenditures in the second quarter of 2004 were \$104 million, including \$67 million invested in revenue-generating projects. Unisys ended the quarter with \$643 million of cash on hand.

YEAR-TO-DATE RESULTS

Excluding the impact of pension accounting in both periods, Unisys reported net income of \$80.3 million, or 24 cents per share, for the six months ended June 30, 2004, compared with net income of \$81.4 million, or 25 cents per share, in the year-ago period. Net income, including the impact of pension accounting, was \$48.3 million, or 14 cents per share, for the first half of 2004 compared with \$91.0 million, or 28 cents per share, in the year-ago period. Revenue for the first six months of 2004 was \$2.85 billion compared to \$2.82 billion in the first half of 2003.

BUSINESS OUTLOOK

"Given the business conditions we experienced in the second quarter, we have revised our estimate for the remainder of the year," Weinbach said. "We now expect full-year 2004 earnings per share, excluding the impact of pension accounting, in the 68 - 72 cents range on low single-digit revenue growth. The breakout of earnings between the third and fourth quarter is more difficult to call. Last year, we had a strong third quarter in our technology business. This year we expect technology sales in the second half of 2004 to approximate second-half 2003 levels, but expect technology revenue to decline in the third quarter and increase in the fourth quarter. Therefore, we expect earnings per share, excluding the impact of pension accounting, in the 8 - 12 cents range in the third quarter on flat revenue from the prior year. We look for full-year 2004 free cash flow (cash from operations minus capital expenditures) in excess of \$50 million."

CONFERENCE CALL

Unisys will hold a conference call today at 8:15 a.m. Eastern Time to discuss its results. The listen-only Webcast, as well as the accompanying presentation materials, can be accessed via a link on the Unisys Investor Web site at www.unisys.com/investor. Following the call, an audio replay of the Webcast, and accompanying presentation materials, can be accessed through the same link.

ABOUT UNISYS

Unisys is a worldwide information technology services and solutions company. Our people combine expertise in consulting, systems integration, outsourcing, infrastructure and server technology with precision thinking and relentless execution to help clients, in more than 100 countries, quickly and efficiently achieve competitive advantage. For more information, visit www.unisys.com.

FORWARD-LOOKING STATEMENTS

Any statements contained in this release that are not historical facts are

forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, any projections of earnings, revenues or other financial items; any statements of the company's plans, strategies or objectives for future operations; statements regarding future economic conditions or performance; and any statements of belief or expectation. All forward-looking statements rely on assumptions and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Statements in this release regarding the company's financial outlook are based in part on the company's assumptions for the economy. Risks and uncertainties that could affect the company's future results include general economic and business conditions, the effects of aggressive competition in the information services and technology markets on the company's revenues, pricing and margins and on the competitiveness of its product and services offerings, the level of demand for the company's products and services and the company's ability to anticipate and respond to changes in technology and customer preferences, the company's ability to grow outsourcing and infrastructure services, the company's ability to drive profitable growth in systems integration and consulting, the degree of market acceptance of the company's high-end enterprise servers, the company's ability to maintain tight cost controls, the risks of doing business internationally and the potential for infringement claims to be asserted against the company or its clients. Statements in this release regarding the potential value of multi-year agreements are based upon assumptions regarding future volumes of business, which are subject to change and are not guaranteed. In addition, agreements with governmental agencies are terminable by the government before the end of their terms and are subject to the availability of appropriated funds. Additional discussion of these and other factors that could affect Unisys future results is contained in its periodic filings with the Securities and Exchange Commission. Unisys assumes no obligation to update any forward-looking statements.

PRESENTATION OF INFORMATION IN THIS PRESS RELEASE

This release presents information that excludes pension income/expense. These financial measures are considered non-GAAP. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows where amounts are either excluded or included not in accordance with generally accepted accounting principles. A reconciliation of these non-GAAP measures to the most directly comparable GAAP measures, as well as disclosure of the reasons why the company uses these measures, is included in the financial information accompanying this release.

 (See accompanying financial information)

RELEASE NO: 0715/8427
http://www.unisys.com/about_unisys/news_a_events/07158427.htm

Unisys is a registered trademark of Unisys Corporation. All other brands and products referenced herein are acknowledged to be trademarks or registered trademarks of their respective holders.

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

	Three Months		Six Months	
	Ended June 30		Ended June 30	
	2004	2003	2004	2003
Revenue				
Services	\$1,158.8	\$1,163.4	\$2,323.8	\$2,270.4
Technology	229.3	261.6	527.2	553.5
	1,388.1	1,425.0	2,851.0	2,823.9
Costs and expenses				
Cost of revenue:				
Services	930.2	906.8	1,855.9	1,789.3
Technology	90.8	126.1	236.5	255.4
	1,021.0	1,032.9	2,092.4	2,044.7
Selling, general and administrative	272.9	242.4	534.1	486.1
Research and development	71.3	63.7	142.8	130.5
	1,365.2	1,339.0	2,769.3	2,661.3

Operating income	22.9	86.0	81.7	162.6
Interest expense	18.2	18.4	35.2	34.1
Other income (expense), net	24.0	10.6	24.6	7.2
Income before income taxes	28.7	78.2	71.1	135.7
Provision for income taxes	9.3	25.7	22.8	44.7
Net income	\$19.4	\$52.5	\$48.3	\$91.0
Earnings per share				
Basic	\$.06	\$.16	\$.14	\$.28
Diluted	\$.06	\$.16	\$.14	\$.28
Shares used in the per share computations (thousands):				
Basic	334,411	328,783	333,567	327,996
Diluted	338,767	331,149	338,407	329,987

UNISYS CORPORATION
SEGMENT RESULTS
(Millions)

	Total	Elimi- nations	Services	Technology
	-----	-----	-----	-----
Three Months Ended June 30, 2004				

Customer revenue	\$1,388.1		\$1,158.8	\$229.3
Intersegment		(\$57.3)	4.5	52.8
	-----	-----	-----	-----
Total revenue	\$1,388.1	(\$57.3)	\$1,163.3	\$282.1
	=====	=====	=====	=====
Gross profit percent	26.4%		18.5%	53.3%
	=====		=====	=====
Operating profit percent	1.6%		0.7%	5.4%
	=====		=====	=====
Three Months Ended June 30, 2003				

Customer revenue	\$1,425.0		\$1,163.4	\$261.6
Intersegment		(\$89.2)	6.3	82.9
	-----	-----	-----	-----
Total revenue	\$1,425.0	(\$89.2)	\$1,169.7	\$344.5
	=====	=====	=====	=====
Gross profit percent	27.5%		20.0%	46.6%
	=====		=====	=====
Operating profit percent	6.0%		5.5%	7.8%
	=====		=====	=====
Six Months Ended June 30, 2004				

Customer revenue	\$2,851.0		\$2,323.8	\$527.2
Intersegment		(\$103.0)	9.3	93.7
	-----	-----	-----	-----
Total revenue	\$2,851.0	(\$103.0)	\$2,333.1	\$620.9
	=====	=====	=====	=====
Gross profit percent	26.6%		18.8%	50.6%
	=====		=====	=====
Operating profit percent	2.9%		1.6%	7.1%
	=====		=====	=====
Six Months Ended June 30, 2003				

Customer revenue	\$2,823.9		\$2,270.4	\$553.5
Intersegment		(\$159.2)	11.9	147.3
	-----	-----	-----	-----
Total revenue	\$2,823.9	(\$159.2)	\$2,282.3	\$700.8
	=====	=====	=====	=====
Gross profit percent	27.6%		19.4%	48.3%
	=====		=====	=====
Operating profit percent	5.8%		4.3%	9.5%
	=====		=====	=====

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Millions)

	June 30, 2004	December 31, 2003
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$643.4	\$635.9
Accounts and notes receivable, net	885.2	1,027.8
Inventories		
Parts and finished equipment	112.7	121.7
Work in process and materials	120.0	116.9
Deferred income taxes	272.4	270.0
Other current assets	106.4	85.7
	-----	-----
Total	2,140.1	2,258.0
	-----	-----
Properties	1,347.4	1,352.7
Less accumulated depreciation and amortization	924.8	928.5
	-----	-----
Properties, net	422.6	424.2
	-----	-----
Outsourcing assets, net	529.9	477.5
Marketable software, net	329.8	332.2
Investments at equity	183.3	153.3
Prepaid pension cost	49.6	55.5
Deferred income taxes	1,385.7	1,384.6
Goodwill	186.6	177.5
Other long-term assets	189.3	211.8
	-----	-----
Total	\$5,416.9	\$5,474.6
	=====	=====
Liabilities and stockholders' equity		
Current liabilities		
Notes payable	\$10.4	\$17.7
Current maturities of long-term debt	150.7	2.2
Accounts payable	429.8	513.8
Other accrued liabilities	1,240.0	1,305.7
Income taxes payable	192.2	214.1
	-----	-----
Total	2,023.1	2,053.5
	-----	-----
Long-term debt	901.8	1,048.3
Accrued pension liabilities	460.1	433.6
Other long-term liabilities	539.1	544.0
Stockholders' equity		
Common stock	3.4	3.3
Accumulated deficit	(366.4)	(414.8)
Other capital	3,856.9	3,818.6
Accumulated other comprehensive loss	(2,001.1)	(2,011.9)
	-----	-----
Stockholders' equity	1,492.8	1,395.2
	-----	-----
Total	\$5,416.9	\$5,474.6
	=====	=====

UNISYS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Millions)

	Six Months Ended June 30	
	2004	2003
Cash flows from operating activities		
Net income	\$48.3	\$91.0
Add (deduct) items to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of properties and outsourcing assets	123.1	105.4
Amortization of marketable software	62.9	59.9
(Increase) in deferred income taxes, net	(2.4)	(1.5)
Decrease (increase) in receivables, net	185.3	(6.6)
Decrease in inventories	6.4	19.5
(Decrease) in accounts payable and other accrued liabilities	(172.2)	(177.5)
(Decrease) increase in income taxes payable	(21.9)	17.5
Increase (decrease) in other liabilities	3.5	(14.8)
(Increase) in other assets	(27.8)	(39.1)
Other	8.8	(5.6)
Net cash provided by operating activities	214.0	48.2
Cash flows from investing activities		
Proceeds from investments	2,878.8	2,387.5
Purchases of investments	(2,879.0)	(2,421.7)
Investment in marketable software	(60.5)	(76.9)
Capital additions of properties and outsourcing assets	(143.5)	(112.0)
Purchases of businesses	(12.6)	(2.0)
Net cash used for investing activities	(216.8)	(225.1)
Cash flows from financing activities		
Net reduction in short-term borrowings	(10.6)	(59.6)
Proceeds from employee stock plans	24.0	13.9
Payments of long-term debt	(1.7)	(3.0)
Proceeds from issuance of long-term debt		293.3
Net cash provided by financing activities	11.7	244.6
Effect of exchange rate changes on cash and cash equivalents	(1.4)	12.3
Increase in cash and cash equivalents	7.5	80.0
Cash and cash equivalents, beginning of period	635.9	301.8
Cash and cash equivalents, end of period	\$643.4	\$381.8

Reconciliation of GAAP to Non-GAAP
Financial Information

The preceding release presents information with and without pension expense or income. Unisys believes that this information will enhance an overall understanding of its financial performance due to the significant change in pension expense or income from period to period and the non-operational nature of pension expense or income. The presentation of non-GAAP information is not meant to be considered in isolation or as a substitute for results prepared in accordance with accounting principles generally accepted in the United States.

UNISYS CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP
CONSOLIDATED STATEMENTS OF INCOME
(Millions, except per share data)

	Three Months Ended June 30, 2004		
	US GAAP as Reported	Less Pension Expense	Without Pension Expense
Revenue	\$1,388.1		\$1,388.1
Costs and expenses			
Cost of revenue	1,021.0	(\$17.8)	1,003.2
Selling, general and administrative	272.9	(4.8)	268.1
Research and development	71.3	(2.2)	69.1
	-----	-----	-----
	1,365.2	(24.8)	1,340.4
	-----	-----	-----
Operating income	22.9	24.8	47.7
Interest expense	18.2		18.2
Other income (expense), net	24.0		24.0
	-----	-----	-----
Income before income taxes	28.7	24.8	53.5
Provision for income taxes	9.3	7.9	17.2
	-----	-----	-----
Net income	\$19.4	\$16.9	\$36.3
	=====	=====	=====
Diluted earnings per share	\$.06	.05	\$.11
	=====	=====	=====

	Three Months Ended June 30, 2003		
	US GAAP as Reported	Less Pension Income	Without Pension Income
Revenue	\$1,425.0		\$1,425.0
Costs and expenses			
Cost of revenue	1,032.9	\$1.5	1,034.4
Selling, general and administrative	242.4	2.4	244.8
Research and development	63.7	4.0	67.7
	-----	-----	-----
	1,339.0	7.9	1,346.9
	-----	-----	-----
Operating income	86.0	(7.9)	78.1
Interest expense	18.4		18.4
Other income (expense), net	10.6		10.6
	-----	-----	-----
Income before income taxes	78.2	(7.9)	70.3
Provision for income taxes	25.7	(2.6)	23.1
	-----	-----	-----
Net income	\$52.5	(\$5.3)	\$47.2
	=====	=====	=====
Diluted earnings per share	\$.16	(\$.02)	\$.14
	=====	=====	=====

UNISYS CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP
CONSOLIDATED STATEMENTS OF INCOME
(Millions, except per share data)

	Six Months Ended June 30, 2004		
	US GAAP as Reported	Less Pension Expense	Without Pension Expense
Revenue	\$2,851.0		\$2,851.0
Costs and expenses			
Cost of revenue	2,092.4	(\$33.3)	2,059.1
Selling, general and administrative	534.1	(9.7)	524.4
Research and development	142.8	(4.0)	138.8
	-----	-----	-----
	2,769.3	(47.0)	2,722.3
	-----	-----	-----
Operating income	81.7	47.0	128.7
Interest expense	35.2		35.2
Other income (expense), net	24.6		24.6
	-----	-----	-----
Income before income taxes	71.1	47.0	118.1
Provision for income taxes	22.8	15.0	37.8
	-----	-----	-----
Net income	\$48.3	\$32.0	\$80.3
	=====	=====	=====
Diluted earnings per share	\$.14	\$.10	\$.24
	=====	=====	=====

	Six Months Ended June 30, 2003		
	US GAAP as Reported	Less Pension Income	Without Pension Income
Revenue	\$2,823.9		\$2,823.9
Costs and expenses			
Cost of revenue	2,044.7	\$2.7	2,047.4
Selling, general and administrative	486.1	4.4	490.5
Research and development	130.5	7.2	137.7
	-----	-----	-----
	2,661.3	14.3	2,675.6
	-----	-----	-----
Operating income	162.6	(14.3)	148.3
Interest expense	34.1		34.1
Other income (expense), net	7.2		7.2
	-----	-----	-----
Income before income taxes	135.7	(14.3)	121.4
Provision for income taxes	44.7	(4.7)	40.0
	-----	-----	-----
Net income	\$91.0	(\$9.6)	\$81.4
	=====	=====	=====
Diluted earnings per share	\$.28	(\$.03)	\$.25
	=====	=====	=====

UNISYS CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP
SEGMENT RESULTS OF OPERATIONS
(Millions)

	Three Months Ended June 30, 2004		
	As Reported	Less Pension Expense	Without Pension Expense
	-----	-----	-----
Services Segment			
Total revenue	\$1,163.3		\$1,163.3
Gross profit	214.9	(\$17.4)	232.3
% of revenue	18.5%		20.0%
Operating income	8.2	(21.1)	29.3
% of revenue	0.7%		2.5%
Technology Segment			
Total revenue	282.1		282.1
Gross profit	150.4	(0.4)	150.8
% of revenue	53.3%		53.5%
Operating income	15.1	(3.7)	18.8
% of revenue	5.4%		6.7%
Total Company			
Total revenue	1,388.1		1,388.1
Gross profit	367.1	(17.8)	384.9
% of revenue	26.4%		27.7%
Operating income	22.9	(24.8)	47.7
% of revenue	1.6%		3.4%

	Three Months Ended June 30, 2003		
	As Reported	Less Pension Income	Without Pension Income
	-----	-----	-----
Services Segment			
Total revenue	\$1,169.7		\$1,169.7
Gross profit	234.5	\$0.7	233.8
% of revenue	20.0%		20.0%
Operating income	64.1	3.2	60.9
% of revenue	5.5%		5.2%
Technology Segment			
Total revenue	344.5		344.5
Gross profit	160.5	0.8	159.7
% of revenue	46.6%		46.4%
Operating income	26.8	4.7	22.1
% of revenue	7.8%		6.4%
Total Company			
Total revenue	1,425.0		1,425.0
Gross profit	392.1	1.5	390.6
% of revenue	27.5%		27.4%
Operating income	86.0	7.9	78.1
% of revenue	6.0%		5.5%

UNISYS CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP
SEGMENT RESULTS OF OPERATIONS
(Millions)

	Six Months Ended June 30, 2004		
	As Reported	Less Pension Expense	Without Pension Expense
Services Segment			
Total revenue	\$2,333.1		\$2,333.1
Gross profit	437.8	(\$32.6)	470.4
% of revenue	18.8%		20.2%
Operating income	37.4	(40.4)	77.8
% of revenue	1.6%		3.3%
Technology Segment			
Total revenue	620.9		620.9
Gross profit	314.2	(0.7)	314.9
% of revenue	50.6%		50.7%
Operating income	44.3	(6.6)	50.9
% of revenue	7.1%		8.2%
Total Company			
Total revenue	2,851.0		2,851.0
Gross profit	758.6	(33.3)	791.9
% of revenue	26.6%		27.8%
Operating income	81.7	(47.0)	128.7
% of revenue	2.9%		4.5%

	Six Months Ended June 30, 2003		
	As Reported	Less Pension Income	Without Pension Income
Services Segment			
Total revenue	\$2,282.3		\$2,282.3
Gross profit	442.9	\$0.7	442.2
% of revenue	19.4%		19.4%
Operating income	98.5	5.1	93.4
% of revenue	4.3%		4.1%
Technology Segment			
Total revenue	700.8		700.8
Gross profit	338.6	2.0	336.6
% of revenue	48.3%		48.0%
Operating income	66.4	9.2	57.2
% of revenue	9.5%		8.2%
Total Company			
Total revenue	2,823.9		2,823.9
Gross profit	779.2	2.7	776.5
% of revenue	27.6%		27.5%
Operating income	162.6	14.3	148.3
% of revenue	5.8%		5.3%

UNISYS CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP
FORWARD-LOOKING ESTIMATED DILUTED EARNINGS PER SHARE

	Three Months Ending 9/30/2004	Year Ending 12/31/2004
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Diluted earnings per share- on a GAAP basis	.03-.07	.49-.53
Add back estimated pension expense, net of tax	.05	.19
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Diluted earnings per share- on a NON-GAAP basis (excluding pension expense)	.08-.12	.68-.72
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NOTE: See section in press release entitled
"Forward-Looking Statements".