

UNITED STATES  
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) October 23, 2007

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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- \ \ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- \ \ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- \ \ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- \ \ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 23, 2007, Unisys Corporation issued a news release to report its financial results for the quarter ended September 30, 2007. 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.

Item 9.01. Financial Statements and Exhibits.

(c) The following exhibit is being furnished herewith:



SIGNATURE

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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: October 23, 2007

By: /s/ Janet B. Haugen

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Janet B. Haugen  
Senior Vice President and  
Chief Financial Officer

EXHIBIT INDEX

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Exhibit  
No.

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99 News Release, dated October 23, 2007, of Unisys Corporation.

Investor Contact:

Jack McHale, 215-986-6050  
Jack.McHale@unisys.com

Media Contacts:

Jim Kerr, 215-986-5795  
Jim.Kerr@unisys.com

Gail Ferrari Marold, 919-302-1620  
Gail.Ferrari@unisys.com

UNISYS ANNOUNCES THIRD-QUARTER 2007 FINANCIAL RESULTS

OPERATING PROFIT INCREASES TO \$44 MILLION AS COMPANY CONTINUES TO BENEFIT FROM REPOSITIONING PROGRAM

BLUE BELL, Pa., October 23, 2007 - Unisys Corporation (NYSE: UIS) today reported improved financial results for the third quarter of 2007 as the company continues to make progress in its multi-year repositioning program. Highlights of the quarter include:

- \* Operating profit increased to \$43.6 million compared to an operating loss of \$42.9 million a year ago;
- \* Services operating profit margin improved to 3.6 percent, up from a negative 1.3 percent a year ago; and
- \* Services orders showed continued growth.

Tax expense in the quarter increased to \$36.8 million from \$16.0 million in the third quarter of 2006. The company's third-quarter 2007 results also included \$19.3 million in Other Expense, compared with \$0.4 million of Other Income in the year-ago quarter. Including these items, Unisys reported a third-quarter 2007 net loss of \$31.0 million, or 9 cents per share. These results compared with a third-quarter 2006 net loss of \$77.5 million, or 23 cents per share, which included a pre-tax restructuring charge of \$36.4 million. Pre-tax retirement-related expense in the third quarter of 2007 was \$22.8 million compared with \$47.5 million a year ago.

Revenue for the third quarter of 2007 declined 1 percent to \$1.39 billion from \$1.41 billion in the year-ago quarter. Foreign currency exchange rates had an approximately 3 percentage-point positive impact on revenue in the quarter.

COMMENTS FROM PRESIDENT AND CEO JOSEPH W. MCGRATH

"We continue to make progress in enhancing the profitability of our business," said Joseph W. McGrath, Unisys president and chief executive officer. "Our operating profit rose to \$44 million in the quarter, an \$87 million improvement year-over-year. In our services business, which represented 87 percent of our revenue in the quarter, we achieved an operating profit margin of 3.6 percent. This is a 490 basis-point improvement from the third quarter of 2006. Equally important, our services orders continued to grow, and we enter the fourth quarter with a strong pipeline of opportunities.

"We are laying the foundation for improved revenue trends in 2008," McGrath said. "We are focused on continuing to enhance our profitability in the fourth quarter and we continue to drive toward our goal of an 8-10 percent operating profit margin, excluding retirement expense."

Major wins in the third quarter included:

- \* A five-year global outsourcing contract with Ciba Specialty Chemicals, under which Unisys will provide a comprehensive range of IT services to 12,000 Ciba employees throughout Europe, the Americas, and Asia; the services include end-user services and data center services;
- \* A five-year, multi-million dollar contract with Sprint to help the communications leader enhance its voicemail infrastructure; under the contract, Unisys will develop a next-generation platform that will give Sprint the flexibility to deliver enhanced services to its millions of customers;
- \* A four-year contract extension from Malayan Bank Berhad (Maybank) under

which Unisys will expand the check processing outsourcing services that it provides to the bank; Unisys will establish additional processing centers in Malaysia and help Maybank transition to an image-based, paperless environment.

### THIRD-QUARTER COMPANY RESULTS

Unisys reported low single-digit growth in its services orders in the third quarter. The company reported order gains in outsourcing and infrastructure services, offset by order declines in systems integration and consulting and in core maintenance. Year to date in 2007, services orders are also up low single-digits over the first nine months of 2006.

U.S. revenue declined 5 percent in the quarter to \$608 million, while revenue in international markets increased 2 percent to \$785 million. On a constant currency basis, international revenue declined 4 percent in the quarter.

The company's gross profit margin and operating profit margin in the third quarter of 2007 improved to 22.2 percent and 3.1 percent, respectively. These compared with gross and operating profit margins of 18.3 percent and (3.0) percent, respectively, in the third quarter of 2006, including the year-ago restructuring charge.

### THIRD-QUARTER BUSINESS SEGMENT RESULTS

Unisys has a long-standing policy to evaluate business segment performance on operating income exclusive of restructuring charges and unusual and non-recurring items. Therefore, the comparisons below exclude the third-quarter 2006 restructuring charge.

Customer revenue in the company's services segment was flat in the third quarter of 2007 compared with the year-ago period. The company reported continued revenue growth in outsourcing, which was offset by revenue declines in infrastructure services and in core maintenance. Gross profit margin in the services business improved to 17.7 percent compared with 13.9 percent a year ago. Services operating margin improved to 3.6 percent compared with (1.3) percent a year ago.

Customer revenue in the company's technology segment declined 9 percent from the third quarter of 2006. Gross profit margin in the technology business declined to 44.6 percent from 46.3 percent a year ago while operating margin declined to 4.0 percent compared to 5.5 percent a year ago. The revenue and margin declines reflected lower volume of enterprise server sales.

### CASH FLOW AND BALANCE SHEET HIGHLIGHTS

Unisys generated \$7 million of cash from operations in the third quarter of 2007 compared with \$27 million in the year-ago quarter. The company used approximately \$37 million of cash in the third quarter of 2007 for restructuring payments compared to approximately \$71 million in the year-ago period.

Capital expenditures in the third quarter of 2007 increased to \$71 million compared to \$60 million in the year-ago quarter due to increased investments in outsourcing assets related to new outsourcing engagements. After deducting for capital expenditures, Unisys used \$64 million of free cash in the quarter compared with free cash usage of \$33 million in the third quarter of 2006. The company ended the third quarter with \$449 million of cash.

### CONFERENCE CALL

Unisys will hold a conference call today at 8:15 am EDT 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](http://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. We provide consulting, systems integration, outsourcing and infrastructure services, combined with powerful enterprise server technology. We specialize in helping clients use information to create efficient, secure business operations that allow them to achieve their business goals. Our consultants and industry experts work with clients to understand their business challenges and create greater visibility into critical linkages throughout their operations. For more information, visit [www.unisys.com](http://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. 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 and its ability to effectively and timely complete the related solutions implementations, client transitions to the new environment and work force and facilities rationalizations; the company's ability to effectively address its challenging outsourcing operations through negotiations or operationally and to fully recover the associated outsourcing assets; the company's ability to drive profitable growth in consulting and systems integration; the level of demand for the company's high-end enterprise servers; the company's ability to effectively rightsize its cost structure; the risks of doing business internationally and the potential for infringement claims to be asserted against the company or its clients. 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.

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RELEASE NO.: 1023/8828

[http://www.unisys.com/about\\_unisys/news\\_a\\_events/10238828.htm](http://www.unisys.com/about_unisys/news_a_events/10238828.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		Nine Months	
	Ended September 30		Ended September 30	
	2007	2006	2007	2006
	-----	-----	-----	-----
Revenue				
Services	\$1,217.6	\$1,217.6	\$3,579.1	\$3,618.5
Technology	175.5	192.5	537.7	586.7
	-----	-----	-----	-----
	1,393.1	1,410.1	4,116.8	4,205.2
Costs and expenses				
Cost of revenue:				
Services	994.5	1,058.9	2,980.6	3,271.7
Technology	89.5	92.5	270.3	310.0
	-----	-----	-----	-----
	1,084.0	1,151.4	3,250.9	3,581.7
Selling, general and administrative	225.8	256.1	717.8	834.2
Research and development	39.7	45.5	131.6	184.7
	-----	-----	-----	-----
	1,349.5	1,453.0	4,100.3	4,600.6
	-----	-----	-----	-----
Operating profit (loss)	43.6	(42.9)	16.5	(395.4)
Interest expense	18.5	19.0	56.1	57.9
Other income (expense), net	(19.3)	0.4	(2.5)	153.1
	-----	-----	-----	-----
Income (loss) before income taxes	5.8	(61.5)	(42.1)	(300.2)
Provision (benefit) for income taxes	36.8	16.0	50.8	(0.2)
	-----	-----	-----	-----
Net loss	(\$31.0)	(\$77.5)	(\$92.9)	(\$300.0)
	=====	=====	=====	=====
Loss per share				

Basic	( <u>\$ .09</u> )	( <u>\$ .23</u> )	( <u>\$ .27</u> )	( <u>\$ .87</u> )
Diluted	( <u>\$ .09</u> )	( <u>\$ .23</u> )	( <u>\$ .27</u> )	( <u>\$ .87</u> )
Shares used in the per share computations (thousands):				
Basic	<u>350,765</u>	<u>344,182</u>	<u>348,715</u>	<u>343,351</u>
Diluted	<u>350,765</u>	<u>344,182</u>	<u>348,715</u>	<u>343,351</u>

UNISYS CORPORATION  
SEGMENT RESULTS  
(Millions)

	Total	Elimi- nations	Services*	Technology*
	-----	-----	-----	-----
Three Months Ended September 30, 2007 -----				
Customer revenue	\$1,393.1		\$1,217.6	\$175.5
Intersegment		(\$61.2)	3.4	57.8
	-----	-----	-----	-----
Total revenue	\$1,393.1	(\$61.2)	\$1,221.0	\$233.3
	=====	=====	=====	=====
Gross profit percent	22.2%		17.7%	44.6%
	=====		=====	=====
Operating profit percent	3.1%		3.6%	4.0%
	=====		=====	=====
Three Months Ended September 30, 2006 -----				
Customer revenue	\$1,410.1		\$1,217.6	\$192.5
Intersegment		(\$76.5)	3.6	72.9
	-----	-----	-----	-----
Total revenue	\$1,410.1	(\$76.5)	\$1,221.2	\$265.4
	=====	=====	=====	=====
Gross profit percent	18.3%		13.9%	46.3%
	=====		=====	=====
Operating profit (loss) percent	(3.0%)		(1.3%)	5.5%
	=====		=====	=====
Nine Months Ended September 30, 2007 -----				
Customer revenue	\$4,116.8		\$3,579.1	\$537.7
Intersegment		(\$148.7)	10.9	137.8
	-----	-----	-----	-----
Total revenue	\$4,116.8	(\$148.7)	\$3,590.0	\$675.5
	=====	=====	=====	=====
Gross profit percent	21.0%		16.7%	43.7%
	=====		=====	=====
Operating profit percent	0.4%		1.7%	2.4%
	=====		=====	=====
Nine Months Ended September 30, 2006 -----				
Customer revenue	\$4,205.2		\$3,618.5	\$586.7
Intersegment		(\$172.3)	10.8	161.5
	-----	-----	-----	-----
Total revenue	\$4,205.2	(\$172.3)	\$3,629.3	\$748.2
	=====	=====	=====	=====
Gross profit percent	14.8%		14.4%	42.1%
	=====		=====	=====
Operating loss percent	(9.4%)		(1.0%)	(3.6%)
	=====		=====	=====

\* Results exclude cost reduction actions

UNISYS CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(Millions)

	September 30, 2007	December 31, 2006
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$448.5	\$719.3
Accounts and notes receivable, net	1,093.0	1,164.6
Inventories		
Parts and finished equipment	99.9	95.0
Work in process and materials	96.0	81.2
Deferred income taxes	30.0	30.0
Prepaid expense and other current assets	155.1	148.4
	-----	-----
Total	1,922.5	2,238.5
	-----	-----
Properties	1,320.1	1,233.4
Less accumulated depreciation and amortization	982.7	892.1
	-----	-----
Properties, net	337.4	341.3
	-----	-----
Outsourcing assets, net	426.1	401.1
Marketable software, net	282.7	304.3
Prepaid postretirement assets	338.2	250.1
Deferred income taxes	182.4	191.3
Goodwill	199.3	193.9
Other long-term assets	124.9	117.4
	-----	-----
Total	\$3,813.5	\$4,037.9
	=====	=====
Liabilities and stockholders' equity (deficit)		
Current liabilities		
Notes payable	\$0.0	\$1.2
Current maturities of long-term debt	200.3	0.5
Accounts payable	420.9	460.9
Other accrued liabilities	1,286.2	1,469.1
	-----	-----
Total	1,907.4	1,931.7
	-----	-----
Long-term debt	849.4	1,049.1
Long-term postretirement liabilities	629.7	667.7
Other long-term liabilities	414.0	453.6
Stockholders' equity (deficit)		
Common stock	3.5	3.5
Accumulated deficit	(2,479.7)	(2,386.8)
Other capital	3,999.7	3,945.1
Accumulated other comprehensive loss	(1,510.5)	(1,626.0)
	-----	-----
Stockholders' equity (deficit)	13.0	(64.2)
	-----	-----
Total	\$3,813.5	\$4,037.9
	=====	=====

UNISYS CORPORATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
(Millions)

	Nine Months Ended September 30	
	2007	2006
Cash flows from operating activities		
Net loss	(\$92.9)	(\$300.0)
Add (deduct) items to reconcile net loss to net cash used for operating activities:		
Equity loss		4.3
Employee stock compensation expense	8.6	4.8
Company stock issued for U.S. 401(k) plan	34.3	13.4
Depreciation and amortization of properties	83.9	88.1
Depreciation and amortization of outsourcing assets	102.4	100.5
Amortization of marketable software	90.1	98.7
Gain on sale of assets	(23.4)	(153.2)
Decrease (increase) in deferred income taxes, net	8.9	(44.0)
Decrease in receivables, net	111.7	8.0
(Increase) decrease in inventories	(15.6)	5.2
(Decrease) increase in accounts payable and other accrued liabilities	(286.8)	69.8
Decrease in other liabilities	(68.8)	(64.8)
(Increase) decrease in other assets	(28.7)	21.2
Other	2.1	9.3
	-----	-----
Net cash used for operating activities	(74.2)	(138.7)
	-----	-----
Cash flows from investing activities		
Proceeds from investments	5,785.7	5,617.8
Purchases of investments	(5,793.4)	(5,620.7)
Investment in marketable software	(73.0)	(81.2)
Capital additions of properties	(56.4)	(48.2)
Capital additions of outsourcing assets	(108.4)	(68.9)
Purchases of businesses	(2.0)	
Proceeds from sale of assets	28.0	380.6
	-----	-----
Net cash (used for) provided by investing activities	(219.5)	179.4
	-----	-----
Cash flows from financing activities		
Net reduction in short-term borrowings	(1.1)	(17.3)
Minority shareholder dividends	(5.8)	
Proceeds from exercise of stock options	12.3	.9
Payments of long-term debt		(57.9)
Cost of credit agreement		(4.6)
	-----	-----
Net cash provided by (used for) financing activities	5.4	(78.9)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	17.5	7.7
	-----	-----
(Decrease) increase in cash and cash equivalents	(270.8)	(30.5)
Cash and cash equivalents, beginning of period	719.3	642.5
	-----	-----
Cash and cash equivalents, end of period	\$448.5	\$612.0
	=====	=====