

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) July 27, 2010

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.)

801 Lakeview Drive, Suite 100
Blue Bell, Pennsylvania 19422

(Address of Principal Executive Offices) (Zip Code)

(215) 986-4011

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

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:

- \ \ 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 July 27, 2010, Unisys Corporation issued a news release to report its financial results for the quarter ended June 30, 2010. 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.

(d) The following exhibit is being furnished herewith:

99 News Release, dated July 27, 2010, of Unisys Corporation

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 27, 2010

By: /s/ Janet B. Haugen

Janet B. Haugen
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit
No.

- - - - -

99 News Release, dated July 27, 2010, of Unisys Corporation

Investor Contact:

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Niels.Christensen@unisys.com

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UNISYS ANNOUNCES SECOND-QUARTER 2010 FINANCIAL RESULTS

COMPARED TO Q2 2009:

- * OPERATING INCOME ROSE 58 PERCENT TO \$106.7 MILLION; OPERATING PROFIT MARGIN OF 10.1 PERCENT, UP FROM 6.1 PERCENT
- * NET INCOME FROM CONTINUING OPERATIONS OF \$59.4 MILLION, UP 77 PERCENT
- * NET INCOME OF \$120.2 MILLION VS. \$38.1 MILLION
- * DILUTED EPS FROM CONTINUING OPERATIONS ROSE TO \$1.37 VS. \$.90
- * DILUTED EPS ROSE TO \$2.77 VS. \$1.02
- * TOTAL REVENUE DECLINED 4 PERCENT (HALF THE DECLINE ATTRIBUTABLE TO DIVESTED BUSINESSES)
- * TECHNOLOGY REVENUE GREW 47 PERCENT; THIRD CONSECUTIVE QUARTER OF CLEARPATH MAINFRAME REVENUE GROWTH
- * IT OUTSOURCING REVENUE GREW HIGH SINGLE DIGITS OUTSIDE OF US FEDERAL BUSINESS
- * INTERNATIONAL REVENUE GREW 3 PERCENT
- * OPERATING EXPENSES (SG&A + R&D EXPENSES) DECLINED 6 PERCENT
- * INCREASED QUARTERLY OPERATING CASH FLOW AND GENERATED POSITIVE FREE CASH FLOW FOR Q210

BLUE BELL, Pa., July 27, 2010 - Unisys Corporation (NYSE: UIS) today reported second-quarter 2010 net income of \$120.2 million, or \$2.77 per diluted share, compared with net income of \$38.1 million, or \$1.02 per diluted share, in the year-ago quarter. The current quarter results include a pre-tax gain of approximately \$65 million related to the sale of the company's health information management (HIM) business. Second-quarter 2010 net income from continuing operations increased to \$59.4 million, or \$1.37 per diluted share, from \$33.5 million, or 90 cents per diluted share, in the year-ago period. Operating results of the HIM business, and the gain on the sale, are being reported as a discontinued operation.

Revenue in the second quarter of 2010 declined 4 percent (2 percent excluding divested businesses) to \$1.06 billion compared with \$1.10 billion in the year-ago quarter. Revenue declined 5 percent (3 percent excluding divested businesses) on a constant currency basis.

Revenue in the United States was \$450 million and declined 13 percent due to the impact of divestitures and lower U.S. federal government revenue. Revenue in international markets grew 3 percent (flat in constant currency) to \$606 million.

"The second quarter was another solid quarter for Unisys," said Unisys Chairman and CEO Ed Coleman. "Driven by a strong performance in our technology business, we reported an operating profit margin of 10.1 percent in the quarter and delivered our fifth consecutive quarter of improved year-over-year profitability. Sales of ClearPath servers grew year-over-year for the third straight quarter and we also saw high single digit percent growth in our IT outsourcing revenue excluding our U.S. federal government business. We continued to strengthen the balance sheet and reshape the company, focusing on those elements that are integral to the delivery of our security, data center transformation, end user outsourcing and application modernization solutions."

OVERALL MARGINS

Unisys reported a second-quarter gross profit margin of 27.3 percent, up from 23.7 percent a year ago, and a second-quarter operating profit margin of 10.1 percent, up from 6.1 percent a year ago. The increased margins primarily reflected higher sales of ClearPath mainframes in the current quarter.

SECOND-QUARTER BUSINESS SEGMENT RESULTS

Customer revenue in the company's services segment declined 9 percent (7 percent excluding divested businesses) compared with the year-ago quarter. On lower revenue, services gross profit margin declined to 19.0 percent compared with 20.7 percent a year ago, while services operating margin declined to 6.0 percent compared with 7.4 percent a year ago. Services revenue and operating margins improved sequentially from the first quarter of 2010 by 5 percent and 140 basis points respectively.

Services backlog at June 30, 2010 was \$5.7 billion, up from \$5.5 billion at

June 30, 2009 and down from \$5.9 billion of services backlog at March 31, 2010. The decrease from March 31, 2010 is primarily attributable to currency exchange rate movements. Services orders declined single digits from year-ago levels.

Customer revenue in the company's technology segment increased 47 percent (56 percent excluding divested businesses) from the second quarter of 2009, driven by substantial growth in ClearPath mainframe revenue. Reflecting the higher ClearPath sales, the company reported a technology gross profit margin of 61.3 percent and an operating profit margin of 27.4 percent in the quarter. These compared with a gross profit margin of 40.4 percent and operating margin of (5.4) percent in the year-ago quarter.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

Unisys generated \$52 million of cash from operations in the second quarter of 2010 compared with \$48 million of cash flow from operations in the second quarter of 2009. Capital expenditures in the second quarter of 2010 declined to \$48 million compared with \$53 million in the year-ago quarter. The company generated \$4 million of free cash flow (cash from operations less capital expenditures) in the second quarter of 2010 compared with free cash usage of \$5 million in the second quarter of 2009.

As previously announced, on April 30, 2010 the company completed the sale of its HIM business. Net cash proceeds from the sale were approximately \$126 million. Under the terms of certain of the company's debt agreements, the proceeds can be used for certain capital expenditures, the acquisition of certain assets and the repayment of certain debt obligations. During the second quarter, the company used approximately \$25 million of the proceeds for such purposes. At June 30, 2010, approximately \$101 million of proceeds remain as restricted cash included in other long-term assets on the company's balance sheet.

At June 30, 2010, Unisys reported \$497 million of cash on hand.

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.

CONSTANT CURRENCY

The company refers to revenue growth rates at constant currency or adjusting for currency so that the business results can be viewed without the impact of fluctuations in foreign currency exchange rates to facilitate comparisons of the company's business performance from one period to another. Constant currency for revenue is calculated by retranslating current and prior period results at a consistent rate. This approach is based on the pricing currency for each country which is typically the functional currency. Generally, when the dollar either strengthens or weakens against other currencies, the growth at constant currency rates or adjusting for currency will be higher or lower than growth reported at actual exchange rates.

ABOUT UNISYS

Unisys is a worldwide information technology company. We provide a portfolio of IT services, software, and technology that solves critical problems for clients. We specialize in helping clients secure their operations, increase the efficiency and utilization of their data centers, enhance support to their end users and constituents, and modernize their enterprise applications. To provide these services and solutions, we bring together offerings and capabilities in outsourcing services, systems integration and consulting services, infrastructure services, maintenance services, and high-end server technology. With approximately 24,000 employees, Unisys serves commercial organizations and government agencies throughout the world. 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. Risks and uncertainties

that could affect the company's future results include the adverse effects of global economic conditions; the company's ability to access credit markets to address its liquidity needs; the company's significant pension obligations and potential requirements to make significant cash contributions to its defined benefit pension plans; the success of the company's program to reduce costs, focus its global resources and simplify its business structure; the potential adverse effects of aggressive competition in the information services and technology marketplace; the company's ability to effectively anticipate and respond to volatility and rapid technological change in its industry; the company's ability to retain significant clients; the company's ability to take on, successfully implement and grow outsourcing operations; the company's ability to drive profitable growth in consulting and systems integration; market demand for the company's high-end enterprise servers and maintenance on those servers; the risk that the company's contracts may not be as profitable as expected or provide the expected level of revenues and that contracts with U.S. governmental agencies may subject it to audits, criminal penalties, sanctions and other expenses and fines; the risk that the company may face damage to its reputation or legal liability if its clients are not satisfied with its services or products; the performance and capabilities of third parties with whom the company has commercial relationships; the risks of doing business internationally when more than half of the company's revenue is derived from international operations; the business and financial risk in implementing future dispositions or acquisitions; the potential for infringement claims to be asserted against the company or its clients; the possibility that pending litigation could affect the company's results of operations or cash flow; and the company's consideration of all available information following the end of the quarter and before the filing of the Form 10-Q and the possible impact of this subsequent event information on its financial statements for the reporting period. Additional discussion of factors that could affect the company's 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.: 0727/8981

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
(Unaudited)
(Millions, except per share data)

	Three Months Ended June 30		Six Months Ended June 30	
	2010	2009 *	2010	2009 *
Revenue				
Services	\$911.3	\$1,002.5	\$1,782.7	\$1,959.1
Technology	145.0	98.7	271.9	214.8
	1,056.3	1,101.2	2,054.6	2,173.9
Costs and expenses				
Cost of revenue:				
Services	726.0	786.1	1,433.6	1,572.5
Technology	42.0	54.5	96.6	126.3
	768.0	840.6	1,530.2	1,698.8
Selling, general and administrative	160.5	167.8	316.9	339.9
Research and development	21.1	25.1	41.9	52.5
	949.6	1,033.5	1,889.0	2,091.2
Operating profit	106.7	67.7	165.6	82.7
Interest expense	25.3	21.2	51.8	43.0
Other income (expense), net	(7.6)	3.0	(44.4)	(3.7)
Income from continuing operations before income taxes	73.8	49.5	69.4	36.0
Provision for income taxes	13.2	13.5	24.5	26.3
Consolidated net income from				

continuing operations	60.6	36.0	44.9	9.7
Net income attributable to noncontrolling interests	(1.2)	(2.5)	(2.4)	(4.8)
	-----	-----	-----	-----
Net income from continuing operations attributable to Unisys Corporation	59.4	33.5	42.5	4.9
Income from discontinued operations, net of taxes	60.8	4.6	66.1	8.8
	-----	-----	-----	-----
Net income attributable to Unisys Corporation	\$120.2	\$38.1	\$108.6	\$13.7
	=====	=====	=====	=====
Earnings per share attributable to Unisys Corporation				
Basic				
Continuing operations	\$ 1.39	\$.91	\$ 1.00	\$.13
Discontinued operations	\$ 1.43	\$.12	\$ 1.56	\$.24
	-----	-----	-----	-----
Total	\$ 2.82	\$ 1.03	\$ 2.56	\$.37
	=====	=====	=====	=====
Diluted				
Continuing operations	\$ 1.37	\$.90	\$.98	\$.13
Discontinued operations	\$ 1.40	\$.12	\$ 1.52	\$.24
	-----	-----	-----	-----
Total	\$ 2.77	\$ 1.02	\$ 2.50	\$.37
	=====	=====	=====	=====
Shares used in the per share computations (thousands):				
Basic	42,590	37,032	42,494	37,018
	=====	=====	=====	=====
Diluted	43,329	37,449	43,356	37,278
	=====	=====	=====	=====

* Reclassified for discontinued operations

UNISYS CORPORATION
SEGMENT RESULTS
(Unaudited)
(Millions)

	Total	Elimi- nations	Services	Technology
	-----	-----	-----	-----
Three Months Ended June 30, 2010 -----				
Customer revenue	\$1,056.3		\$911.3	\$145.0
Intersegment		(\$36.2)	1.5	34.7
	-----	-----	-----	-----
Total revenue	\$1,056.3	(\$36.2)	\$912.8	\$179.7
	=====	=====	=====	=====
Gross profit percent	27.3%		19.0%	61.3%
	=====		=====	=====
Operating profit percent	10.1%		6.0%	27.4%
	=====		=====	=====
Three Months Ended June 30, 2009 * -----				
Customer revenue	\$1,101.2		\$1,002.5	\$98.7
Intersegment		(\$47.3)	1.6	45.7
	-----	-----	-----	-----
Total revenue	\$1,101.2	(\$47.3)	\$1,004.1	\$144.4
	=====	=====	=====	=====
Gross profit percent	23.7%		20.7%	40.4%
	=====		=====	=====
Operating profit (loss) percent	6.1%		7.4%	(5.4%)
	=====		=====	=====
Six Months Ended June 30, 2010 -----				
Customer revenue	\$2,054.6		\$1,782.7	\$271.9
Intersegment		(\$59.2)	2.3	56.9
	-----	-----	-----	-----
Total revenue	\$2,054.6	(\$59.2)	\$1,785.0	\$328.8
	=====	=====	=====	=====
Gross profit percent	25.5%		18.6%	57.2%
	=====		=====	=====
Operating profit percent	8.1%		5.3%	21.2%
	=====		=====	=====
Six Months Ended June 30, 2009 * -----				
Customer revenue	\$2,173.9		\$1,959.1	\$214.8
Intersegment		(\$85.2)	3.3	81.9
	-----	-----	-----	-----
Total revenue	\$2,173.9	(\$85.2)	\$1,962.4	\$296.7
	=====	=====	=====	=====
Gross profit percent	21.9%		18.3%	36.7%
	=====		=====	=====
Operating profit (loss) percent	3.8%		4.8%	(8.6%)
	=====		=====	=====

* Reclassified for discontinued operations

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Millions)

June 30, December 31,
2010 2009 *
----- -----

Assets		
Current assets		
Cash and cash equivalents	\$496.5	\$647.6
Accounts and notes receivable, net	786.2	779.7
Inventories		
Parts and finished equipment	56.0	57.5
Work in process and materials	34.8	43.0
Deferred income taxes	24.5	19.9
Prepaid expense and other		
current assets	128.7	141.8
Assets of discontinued operations	-	82.1
	-----	-----
Total	1,526.7	1,771.6
	-----	-----
Properties	1,353.9	1,370.6
Less accumulated depreciation		
and amortization	1,128.1	1,143.2
	-----	-----
Properties, net	225.8	227.4
	-----	-----
Outsourcing assets, net	175.8	213.7
Marketable software, net	147.1	151.5
Deferred income taxes	161.3	180.6
Goodwill	192.2	198.5
Other long-term assets	285.5	213.6
	-----	-----
Total	\$2,714.4	\$2,956.9
	=====	=====
Liabilities and stockholders' deficit		
Current liabilities		
Current maturities of long-term debt	\$0.7	\$65.8
Accounts payable	265.3	300.4
Deferred revenue	459.5	450.6
Other accrued liabilities	435.1	567.1
Liabilities of discontinued operations	-	39.2
	-----	-----
Total	1,160.6	1,423.1
	-----	-----
Long-term debt	835.7	845.9
Long-term postretirement liabilities	1,507.7	1,640.6
Long-term deferred revenue	150.3	176.3
Other long-term liabilities	140.2	142.7
Commitments and contingencies		
Total stockholders' deficit	(1,080.1)	(1,271.7)
	-----	-----
Total	\$2,714.4	\$2,956.9
	=====	=====

* Reclassified for discontinued operations

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

	Six Months Ended June 30	
	2010	2009
Cash flows from operating activities		
Consolidated net income from continuing operations	\$44.9	\$9.7
Income from discontinued operations, net of taxes	66.1	8.8
Add (deduct) items to reconcile consolidated net income to net cash provided by operating activities:		
Foreign currency transaction loss	19.9	-
Employee stock compensation	5.8	3.8
Depreciation and amortization of properties	39.6	48.4
Depreciation and amortization of outsourcing assets	58.6	75.7
Amortization of marketable software	31.2	49.7
Disposals of capital assets	7.4	5.6
Gain on sale of businesses and assets	(62.0)	-
Loss on extinguishment of debt	1.4	-
(Increase) decrease in deferred income taxes, net	(9.3)	3.9
(Increase) decrease in receivables, net	(52.2)	101.7
Decrease in inventories	5.8	15.8
Decrease in accounts payable and other accrued liabilities	(65.6)	(206.2)
(Decrease) increase in other liabilities	(34.4)	21.8
Increase in other assets	(35.0)	(52.0)
Other	1.0	1.0
Net cash provided by operating activities	23.2	87.7
Cash flows from investing activities		
Proceeds from investments	211.8	200.9
Purchases of investments	(211.4)	(199.6)
Restricted deposits	(80.6)	(72.3)
Investment in marketable software	(27.3)	(29.5)
Capital additions of properties	(37.3)	(18.1)
Capital additions of outsourcing assets	(51.7)	(53.2)
Purchases of businesses	-	(1.5)
Proceeds from sale of businesses and assets	130.3	-
Net cash used for investing activities	(66.2)	(173.3)
Cash flows from financing activities		
Proceeds from exercise of stock options	1.2	-
Payments of long-term debt	(78.0)	-
Financing fees	(.1)	(.7)
Net cash used for financing activities	(76.9)	(.7)
Effect of exchange rate changes on cash and cash equivalents	(31.2)	17.3
Decrease in cash and cash equivalents	(151.1)	(69.0)
Cash and cash equivalents, beginning of period	647.6	544.0
Cash and cash equivalents, end of period	\$496.5	\$475.0