SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 1999.

[ ] 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.)

Unisys Way
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 [X] NO [ ]

Number of shares of Common Stock outstanding as of September 30, 1999: 309,905,309.

Part I - FINANCIAL INFORMATION
Item 1. Financial Statements.

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEET (UNAUDITED)
(Millions)

	September 30, 1999	December 31, 1998
Assets		
Current assets		
Cash and cash equivalents	$ 374.0	$ 616.4
Accounts and notes receivable, net	1,262.0	1,239.0
Inventories		
Parts and finished equipment	227.9	264.1
Work in process and materials	178.6	206.9
Deferred income taxes	477.4	428.8
Other current assets	110.8	88.9
Total	2,630.7	2,844.1
Properties	1,723.7	1,734.6

Less-Accumulated depreciation	1,137.3	1,149.2
Properties, net	586.4	585.4
Investments at equity	191.4	184.6
Software, net of accumulated amortization	248.0	247.7
Prepaid pension cost	917.6	833.8
Deferred income taxes	721.4	694.4
Other assets	269.7	223.2
Total	$5,565.2	$5,613.2
Liabilities and stockholders' equity		
Current liabilities		
Notes payable	$ 43.4	$ 52.2
Current maturities of long-term debt	26.3	4.1
Accounts payable	993.4	928.5
Other accrued liabilities	1,098.5	1,308.2
Dividends payable		26.6
Estimated income taxes	345.1	277.0
Total	2,506.7	2,596.6
Long-term debt	950.9	1,106.7
Other liabilities	351.7	374.3
Stockholders' equity		
Preferred stock		1,444.7
Common stock, issued: 1999, 311.8; 1998, 259.4	3.1	2.6
Accumulated deficit	(1,198.7)	(1,532.2)
Other capital	3,547.6	2,152.1
Accumulated other comprehensive loss	(596.1)	(531.6)
Stockholders' equity	1,755.9	1,535.6
Total	$5,565.2	$5,613.2

See notes to consolidated financial statements.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Revenue	$1,865.4	$1,792.3	$5,584.7	$5,185.6
Cost and expenses				
Cost of revenue	1,195.2	1,186.4	3,581.8	3,429.9
Selling, general and administrative	354.8	331.1	1,034.9	998.6
Research and development expenses	86.2	76.9	251.4	225.0
	1,636.2	1,594.4	4,868.1	4,653.5
Operating income	229.2	197.9	716.6	532.1
Interest expense	34.1	42.7	103.0	131.8
Other income (expense), net	1.0	(7.6)	(65.3)	(19.7)
Income before income taxes	196.1	147.6	548.3	380.6
Estimated income taxes	45.6	53.8	169.9	139.9
Income before extraordinary item	150.5	93.8	378.4	240.7
Extraordinary item	(12.1)		(12.1)	
Net income	138.4	93.8	366.3	240.7
Dividends on preferred shares	1.9	26.6	36.7	79.9
Earnings on common shares	$ 136.5	$ 67.2	$ 329.6	$ 160.8
Earnings per common share - basic				
Before extraordinary item	$ .49	$ .26	$ 1.22	$ .64
Extraordinary item	(.04)		(.04)	
Total	$ .45	$ .26	$ 1.18	$ .64
Earnings per common share - diluted				
Before extraordinary item	$ .47	$ .25	$ 1.17	$ .60
Extraordinary item	(.04)		(.04)	
Total	$ .43	$ .25	$ 1.13	$ .60

See notes to consolidated financial statements.

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

	Nine Months Ended September 30 1999	1998
Cash flows from operating activities		
Income before extraordinary item	$ 378.4	$ 240.7
Add (deduct) items to reconcile income before extraordinary item to net cash provided by operating activities:		
Extraordinary item	(12.1)	
Depreciation	105.3	108.3
Amortization:		
Marketable software	83.6	85.0
Goodwill	10.2	7.2
(Increase)decrease in deferred income taxes, net	(70.3)	.6
(Increase)decrease in receivables, net	(47.1)	14.8
Decrease in inventories	64.4	18.4
(Decrease) in accounts payable and other accrued liabilities	(224.0)	(106.5)
Increase in estimated income taxes	68.1	72.0
(Decrease)increase in other liabilities	(16.2)	17.0
(Increase) in other assets	(94.4)	(16.4)
Other	74.2	(8.9)
Net cash provided by operating activities	320.1	432.2
Cash flows from investing activities		
Proceeds from investments	803.6	1,448.3
Purchases of investments	(778.2)	(1,444.8)
Proceeds from sales of properties	21.7	1.1
Investment in marketable software	(83.7)	(79.1)
Capital additions of properties	(139.0)	(112.3)
Purchases of businesses	(53.9)	
Net cash used for investing activities	(229.5)	(186.8)
Cash flows from financing activities		
Redemption of preferred stock	(197.0)	
Proceeds from issuance of long-term debt	30.3	195.2
Payments of long-term debt	(161.5)	(438.9)
Net (reduction in)proceeds from short-term borrowings	(9.1)	6.5
Dividends paid on preferred shares	(59.4)	(79.9)
Proceeds from employee stock plans	74.4	61.5
Net cash used for financing activities	(322.3)	(255.6)
Effect of exchange rate changes on cash and cash equivalents	(10.7)	(18.1)
(Decrease) in cash and cash equivalents	(242.4)	(28.3)
Cash and cash equivalents, beginning of period	616.4	824.2
Cash and cash equivalents, end of period	$ 374.0	$ 795.9

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. The shares used in the computations of earnings per share are as follows (in thousands):

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Basic	302,183	254,876	279,678	252,458
Diluted	314,541	271,740	292,733	268,840

b. A summary of the company's operations by business segment for the three and nine month periods ended September 30, 1999 and 1998 is presented below(in millions of dollars):

	Total	Corporate	Services	Technology
Three Months Ended September 30, 1999				
Customer revenue	$1,865.4		$1,318.5	$ 546.9
Intersegment		$(151.7)	17.7	134.0
Total revenue	$1,865.4	$(151.7)	$1,336.2	$ 680.9
Operating income(loss)	$ 229.2	$ (13.5)	$ 104.9	$ 137.8
Three Months Ended September 30, 1998				
Customer revenue	$1,792.3		$1,268.9	$ 523.4
Intersegment		$(118.4)	16.3	102.1
Total revenue	$1,792.3	$(118.4)	$1,285.2	$ 625.5
Operating income(loss)	$ 197.9	$(1.5)	$ 92.3	$ 107.1
Nine Months Ended September 30, 1999				
Customer revenue	$5,584.7		$3,901.3	$1,683.4
Intersegment		$(415.6)	49.0	366.6
Total revenue	$5,584.7	$(415.6)	$3,950.3	$2,050.0
Operating income(loss)	$ 716.6	$ (21.6)	$ 288.7	$ 449.5
Nine Months Ended September 30, 1998				
Customer revenue	$5,185.6		$3,561.5	$1,624.1
Intersegment		$(366.8)	47.3	319.5
Total revenue	$5,185.6	$(366.8)	$3,608.8	$1,943.6
Operating income(loss)	$ 532.1	$(28.6)	$ 224.6	$ 336.1

Presented below is a reconciliation of total business segment operating income to consolidated income before taxes (in millions of dollars):

	Three Months Ended Sept 30 1999	Three Months Ended Sept 30 1998	Nine Months Ended Sept 30 1999	Nine Months Ended Sept 30 1998
Total segment operating income	$242.7	$199.4	$738.2	$560.7
Interest expense	(34.1)	(42.7)	(103.0)	(131.8)
Other income (expense), net	1.0	(7.6)	(65.3)	(19.7)
Corporate and eliminations	(13.5)	(1.5)	(21.6)	(28.6)
Total income before income taxes	$196.1	$147.6	$548.3	$380.6

c. Comprehensive income for the three and nine months ended September 30, 1999 and 1998 includes the following components (in millions of dollars):

	Three Months Ended Sept 30 1999	Three Months Ended Sept 30 1998	Nine Months Ended Sept 30 1999	Nine Months Ended Sept 30 1998
Net income	$138.4	$ 93.8	$366.3	$240.7
Other comprehensive income (loss)				
Foreign currency translation adjustment	(19.9)	(35.6)	(63.0)	(90.3)
Related tax expense (benefit)	1.0	(.1)	1.5	(2.3)
Total other comprehensive income (loss)	(20.9)	(35.5)	(64.5)	(88.0)
Comprehensive income	$117.5	$ 58.3	$301.8	$152.7

Accumulated other comprehensive income (loss), (all of which relates to foreign currency translation adjustments) as of September 30, 1999 and December 31, 1998 is as follows (in millions of dollars):

	September 30, 1999	December 31, 1998
Balance at beginning of period	$(531.6)	$(448.1)
Translation adjustments	(64.5)	(83.5)
Balance at end of period	$(596.1)	$(531.6)

d. In August of 1999, the company acquired PulsePoint Communications, Tech Hackers, Inc. and Publishing Partners International, Inc. Approximately 2.9 million shares of the company's common stock were exchanged for all of the outstanding shares of these companies. The transactions were accounted for as poolings of interests; therefore, all prior periods presented were restated.

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

Results of Operations

For the three months ended September 30, 1999, the company reported net income of $138.4 million, or $.43 per diluted common share, compared to $93.8 million, or $.25 per share, for the three months ended September 30, 1998. Income in the current quarter includes a one-time tax benefit of $22.0 million, or $.07 per diluted common share, related to a recently issued U.S. Treasury income tax regulation, as well as an extraordinary charge of $12.1 million, or $.04 per diluted share, for the early extinguishment of debt. Excluding these items, third quarter earnings per share rose 60% to $.40 per share compared to $.25 per share in the year-ago quarter.

Total revenue for the quarter ended September 30, 1999 was $1.87 billion, up 4% from revenue of $1.79 billion for the quarter ended September 30, 1998. Excluding the negative impact of foreign currency fluctuations, revenue in the quarter rose 7%. Total gross profit percent increased to 35.9% in the third quarter of 1999 from 33.8% in the year-ago period.

For the three months ended September 30, 1999, selling, general and administrative expenses were $354.8 million (19.0% of revenue) compared to $331.1 million (18.5% of revenue) for the three months ended September 30, 1998. Research and development expenses were $86.2 million compared to $76.9 million a year earlier.

For the third quarter of 1999, the company reported an operating income percent of 12.3% compared to 11.0% for the third quarter of 1998.

Information by business segment is presented below (in millions):

	Total	Elimi-nations	Services	Technology
Three Months Ended September 30, 1999				
Customer revenue	$1,865.4		$1,318.5	$546.9
Intersegment		$(151.7)	17.7	134.0
Total revenue	$1,865.4	$(151.7)	$1,336.2	$680.9
Gross profit percent	35.9%		25.8%	48.5%
Operating income percent	12.3%		7.8%	20.2%
Three Months Ended September 30, 1998				
Customer revenue	$1,792.3		$1,268.9	$523.4
Intersegment		$(118.4)	16.3	102.1
Total revenue	$1,792.3	$(118.4)	$1,285.2	$625.5
Gross profit percent	33.8%		24.5%	47.4%
Operating income percent	11.0%		7.2%	17.1%

In the Services segment, customer revenue increased by 4% to $1.32 billion in the third quarter of 1999 from $1.27 billion in the third quarter of 1998 due principally to growth in outsourcing revenue. Excluding proprietary maintenance revenue, which continues to decline industry-wide, revenue increased 6% in the quarter. Services revenue growth in the quarter was constrained by weakness in network services, particularly in the Federal government business, due to intense competitive pricing pressures and delays in the expected rollout of some large networking projects; however, this is not materially impacting profitability because of the lower-margin nature of this business. Revenue from enterprise Windows NT services business was also lower than expected as the market for these services is developing more slowly than anticipated in the short term as companies evaluate the NT operating environment for mission-critical performance.

In the third quarter of 1999, services gross profit increased to 25.8% from 24.5% in 1998, and operating profit was 7.8% compared to 7.2% in 1998. The increase in services operating profit was largely due to ongoing cost reduction programs as well as stringent cost controls over discretionary expenditures.

In the Technology segment, customer revenue increased 4% to $547 million in the third quarter of 1999 from $523 million in the prior-year period as some customers shifted technology spending from the fourth quarter into the third quarter as they prepare for the year 2000 transition. This shift more than offset the expected declines in personal computer revenue. The shift of technology revenue from the fourth quarter to the third quarter is expected to result in a decline in technology revenue in the fourth quarter of 1999 when compared to the prior year quarter. The gross profit percent was 48.5% in 1999, compared to 47.4% in 1998. Operating profit in this segment was 20.2% in 1999 compared to 17.1% in 1998. The increase in operating profit, above the increase in gross profit, was largely due to the ongoing cost reduction efforts.

The company expects that the issues in its network and NT services businesses, the impact of foreign currency exchange rates, the year 2000 transition, and organizational changes to be made in the fourth quarter will have a negative impact on its revenue for the next two quarters.

Interest expense for the three months ended September 30, 1999 declined to $34.1 million from $42.7 million for the three months ended September 30, 1998. The decline was principally due to the company's debt reduction program.

Other income (expense), net, which can vary from quarter to quarter, was income of $1.0 million in the current quarter compared to an expense of $7.6 million in the year-ago quarter. The change was mainly due to lower foreign exchange losses and gains on the sale of certain investments in the current quarter offset in part by lower interest income.

Income before income taxes was $196.1 million in the third quarter of 1999 compared to $147.6 million last year. The provision for income taxes was $45.6 million in the current period compared to $53.8 million in the year-ago period. The tax provision in the current period includes a one-time benefit of $22.0 million related to a recently issued U.S. Treasury income tax regulation pertaining to the use of net operating loss carryforwards of acquired companies.

For the nine months ended September 30, 1999, net income was $366.3 million, or $1.13 per diluted common share, compared to net income of $240.7 million, or $.60 per diluted common share, last year. The current period income includes the tax benefit of $22.0 million, or $.07 per diluted common share, discussed above and an extraordinary item for the early extinguishment of debt of $12.1 million, or $.04 million per diluted common share. Excluding these items, diluted earnings per share was $1.10 for the nine months ended September 30, 1999 compared to $.60 in the year-ago period. Revenue was $5.58 billion compared to $5.19 billion for the first nine months of 1998.

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement, which is effective for the year beginning January 1, 2001, establishes accounting and reporting standards for derivative instruments and for hedging activities. SFAS No. 133 requires a company to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Management is evaluating the impact this statement may have on the company's financial statements.

Financial Condition

Cash and cash equivalents at September 30, 1999 were $374.0 million compared to $616.4 million at December 31, 1998. During the nine months ended September 30, 1999, cash provided by operations was $320.1 million compared to $432.2 million a year ago principally reflecting a decrease in working capital. The company's days of sales outstanding increased, primarily reflecting late quarter-end technology sales that were not able to be collected in September.

Cash used for investing activities during the first nine months of 1999 was $229.5 million compared to $186.8 million during the first nine months of 1998. The increase was principally due to the purchase of Datamec, a Brazilian application outsourcing company, in June of 1999.

Cash used for financing activities during the first nine months of 1999 was $322.3 million compared to $255.6 million in the year-ago period. Included in the current period were payments of $197.0 million for redemptions of preferred stock and $161.5 million related to the early redemption of long-term debt. In the year-ago period $438.9 million of payments on long-term debt were offset by proceeds of $195.2 million for issuances of long-term debt.

At September 30, 1999, total debt was $1.0 billion, a decrease of $142.4 million from December 31, 1998. The decrease was principally due to the early extinguishment, by means of open market purchases in the current quarter, of $115.8 million principal amount of the company's 11 3/4% senior notes due 2004, and $25.5 million of 12% senior notes due 2003. The decrease also reflects the March 15, 1999 conversion into common stock of the remaining $27 million of the 8 1/4% convertible subordinated notes due 2006, which were called during the first quarter. Approximately 3.9 million common shares were issued for the conversion of the 8 1/4% notes.

During the nine months ended September 30, 1999, all shares of the company's Series A cumulative convertible preferred stock were either converted into the company's common stock or redeemed for cash in response to various calls by the company. These actions have eliminated all $1.4 billion of Series A preferred stock (28.4 million shares) and $106.5 million of annual dividend payments. Overall in 1999, of the 28.4 million shares of Series A preferred stock that were outstanding at the beginning of the year, 24.5 million shares were converted into 40.8 million shares of common stock and 3.9 million shares were redeemed for $197.0 million in cash.

As part of the company's ongoing program to reduce interest expense, in the third quarter of 1999, the company entered into interest rate and currency swaps for Japanese yen and euro. In these arrangements, the company receives payments based on a U.S. fixed rate of interest and pays interest based on a foreign currency denominated floating rate. The company is obligated to deliver, on April 1, 2008, 23.2 billion yen in exchange for $200 million and is obligated to deliver, on October 15, 2004, 194.4 million euro in exchange for $200 million. These currency swaps have been designated as hedges of the company's net investments in entities measured in these currencies.

The company has a $400 million credit agreement which expires June 2001. As of September 30, 1999, there were no borrowings under the agreement.

The company may, from time to time, redeem, tender for, or repurchase its debt 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 $700 million of debt or equity securities, which enables the company to be prepared for future market opportunities.

On July 2, 1999, Moody's Investors Service increased its rating on the company's senior long-term debt to Bal from Ba3; on August 2, 1999, Standard & Poor's Corporation increased its rating on the company's senior long-term debt to BB+ from BB-; and on August 10, 1999, Duff & Phelps Credit Rating Co. increased its rating on the company's senior long-term debt to BBB- from BB+.

At September 30, 1999, the company had deferred tax assets in excess of deferred tax liabilities of $1,457 million. For the reasons cited below, management determined that it is more likely than not that $1,136 million of such assets will be realized, therefore resulting in a valuation allowance of $321 million.

The company evaluates 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 factors used to assess the likelihood of realization are the company's forecast of future taxable income, which is adjusted by applying probability factors, and available tax planning strategies that could be implemented to realize deferred tax assets.

Failure to achieve forecasted taxable income might affect the ultimate realization of the net deferred tax assets. See "Factors that may affect future results" below. The combination of these factors is expected to be sufficient to realize the entire amount of net deferred tax assets. Approximately $3.4 billion of future taxable income (predominantly U.S.) is needed to realize all of the net deferred tax assets.

Stockholders' equity increased $220.3 million during the nine months ended September 30, 1999, principally reflecting net income of $366.3 million, issuance of stock under stock option and other plans of $87.2 million, $53.8 million of tax benefits related to employee stock plans, and $26.4 million from conversion of the remaining 8 1/4% convertible notes, offset in part by the redemption of $197.0 million of preferred stock, translation adjustments of $64.5 million, and preferred stock dividends declared of $32.8 million.

In August of 1999, the company acquired PulsePoint Communications, Tech Hackers, Inc. and Publishing Partners International, Inc. Approximately 2.9 million shares of the company's common stock were exchanged for all of the outstanding shares of these companies. The transactions were accounted for as poolings of interests; therefore, all prior periods presented were restated.

Year 2000 Readiness Disclosure

Many computer systems and embedded technology may experience problems handling dates beyond the year 1999 and therefore may need to be modified prior to the year 2000.

As part of its development efforts, the company's current product offerings have been designed or are being redesigned to be year 2000 ready, as defined by the company. However, certain of the company's hardware and software products currently used by customers will require upgrades or other remediation to become year 2000 ready. Some of these products are used in critical applications where the impact of non-performance to these customers and other parties could be significant. The company has taken steps to notify customers of the year 2000 issue, provide information and resources on the company's year 2000 web site, emphasize the importance of customer testing of their own systems in their own unique business environments and offer consulting services to assist customers in assessing their year 2000 risk.

The company continues to assess the year 2000 readiness of its key suppliers. The company's reliance on suppliers, and therefore, on the proper functioning of their products, information systems, and software, means that their failure to address year 2000 issues could affect the company's business. The potential impact and related costs are not known at this time. The company has inquired about the year 2000 readiness of its key suppliers and, whenever possible, has obtained year 2000 readiness warranties or statements as to their readiness. The company expects to identify alternate sources or strategies where necessary if significant exposure is identified.

The company's year 2000 internal systems effort involves three stages: inventory and assessment of its hardware, software and embedded systems, remediation or replacement of those that are not year 2000 ready, and testing the systems. In 1997, the company completed an inventory and year 2000 assessment of its internal information technology ("IT") systems, and developed a work plan to remediate non-compliant systems or replace or consolidate these systems as part of the company's efforts to reduce and simplify, on a worldwide basis, its IT systems.

The company initially focused on the IT systems that are critical to running its business. As of September 30, 1999, the company has completed the remediation, integrated testing and replacement of its major mission critical IT applications. The company expects to eliminate any remaining non-compliant, non-critical IT systems by December 1, 1999.

The company has completed an inventory and assessment of its key non-IT systems, such as data and voice communications, building management, and manufacturing systems. The company has completed remediation of those systems that were not year 2000 ready, with the exception of some telecommunications equipment and voice mail systems in a few locations, which are expected to be completed in the last quarter of 1999.

The company estimates that, as of September 30, 1999, the cost of remediating/replacing its internal systems has been approximately $26 million. Any remaining expenditures in 1999 are expected to be minimal. The company has funded this effort through normal working capital. This estimate does not include the cost of replacing or consolidating IT systems in connection with the company's worldwide IT simplification project, which was undertaken for reasons unrelated to year 2000 issues, potential costs related to any customer or other claims, the costs associated with making the company's product offerings year 2000 ready, and the costs of any disruptions caused by suppliers not being year 2000 ready. This estimate is based on a current assessment of the year 2000 projects and is subject to change as the projects progress.

Although the company does not believe that it will incur material costs or experience material disruptions in its business associated with the year 2000, there can be no assurance that the company will not experience serious unanticipated negative consequences and/or material costs. The company may see increased customer satisfaction costs related to year 2000 over the next few years. In addition some commentators have stated that a significant amount of litigation may arise out of year 2000 compliance issues, and the company is aware of a growing number of lawsuits against information technology and solutions providers. Although the company believes it has taken adequate measures to address year 2000 issues, because of the unprecedented nature of such litigation, it is uncertain to what extent the company may be affected by it. Customer spending patterns have also been, and may continue to be, impacted by the year 2000 issue, although the company is unable to quantify the impact. Efforts by customers to address year 2000 issues may absorb a substantial part of their IT budgets in the near term, and customers may either accelerate or delay the purchase of new applications and systems. While this behavior may increase demand for certain of the company's products and services, it could also soften demand. In the three months ended September 30, 1999, the company has experienced such a shift in revenue patterns as some customers have shifted technology spending from the fourth quarter of 1999 into the third quarter as they prepare for the year 2000 transition. In addition, there can be no assurance that the company's current product offerings do not contain undetected errors or defects associated with year 2000 date functions that may result in increased costs to the company.

With respect to its internal systems, the worst case scenarios might include corruption of data contained in the company's internal IT systems, hardware failures, the failure of the company's significant suppliers, and the failure of infrastructure services provided by utilities and other third parties such as electricity, phone service, water transport and internet services.

The company continues to assess and refine the contingency plans it is developing in the event it does not complete all phases of its year 2000 program and to respond to year 2000 related events outside its control.

Conversion to the Euro Currency

On January 1, 1999, certain member countries of the European Union established fixed conversion rates between their existing currencies and the European Union's common currency, the euro. The transition period for the introduction of the euro began on January 1, 1999. Beginning January 1, 2002, the participating countries will issue new euro-denominated bills and coins for use in cash transactions. No later than July 1, 2002, the participating countries will withdraw all bills and coins denominated in the legacy currencies, so that the legacy currencies no longer will be legal tender for any transactions, making the conversion to the euro complete.

The company is addressing the issues involved with the introduction of the euro. The more important issues facing the company include converting information technology systems, reassessing currency risk, and negotiating and amending agreements. Based on progress to date, the company believes that the use of the euro will not have a significant impact on the manner in which it conducts its business. Accordingly, conversion to the euro is not expected to have a material effect on the company's consolidated financial position, consolidated results of operations, or liquidity.

Factors that May Affect Future Results

From time to time, the company provides information containing "forward-looking" statements, as defined in the Private Securities Litigation Reform Act of 1995. All forward-looking statements rely on assumptions and are subject to risks, uncertainties, and other factors that could cause the company's actual results to differ materially from expectations. In addition to changes in general economic and business conditions and natural disasters, these include, but are not limited to, the factors discussed below.

The company operates in an industry characterized by aggressive competition, rapid technological change, evolving technology standards, and short product life-cycles.

Future operating results will depend on the company's ability to design, develop, introduce, deliver, or obtain new products and services on a timely and cost-effective basis; on its ability to successfully implement its fourth quarter organizational realignments; on its ability to mitigate the effects of competitive pressures and volatility in the information services and technology industry on revenues, pricing and margins; on its ability to effectively manage the shift of its business mix away from traditional high-margin product and services offerings; and on its ability to successfully attract and retain highly skilled people. In addition, future operating results could be impacted by market demand for and acceptance of the company's service and product offerings.

Certain of the company's systems integration contracts are fixed-price contracts under which the company assumes the risk for delivery of the contracted services at an agreed-upon price. Future results will depend on the company's ability to profitably perform these services contracts and bid and obtain new contracts.

Approximately 55% of the company's total revenue derives from international operations. The risk of doing business internationally include foreign currency exchange rate fluctuations, changes in political or economic conditions, trade protection measures, and import or export licensing requirements.

In the course of providing complex, integrated solutions to customers, the company frequently forms alliances with third parties that have complementary products, services, or skills. Future results will depend in part on the performance and capabilities of these third parties, including their ability to deal effectively with the year 2000 issue. Future results will also depend upon the ability of external suppliers to deliver components at reasonable prices and in a timely manner and on the financial condition of, and the company's relationship with, distributors and other indirect channel partners.

Future results may also be adversely affected by a delay in, or increased costs associated with, the implementation of the year 2000 actions discussed above, or by the company's inability to implement them.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

A number of purported class actions seeking unspecified compensatory damages have been filed against Unisys and two current and one former officer in the U.S. District Court for the Eastern District of Pennsylvania by persons who purchased Unisys common stock during the period May 4, 1999 through October 14, 1999. The plaintiffs in these actions allege violations of the Federal securities laws in connection with statements made by the Company concerning certain of its services contracts. These actions, which are in the early stages, include the following: Frances W. Smith, et al v. Unisys Corporation, Larry Weinbach, Jack McHale and Gerald Gagliaradi (filed on October 28, 1999); Sam Wietschner, et al v. Unisys Corporation, et al (filed on November 1, 1999); Larry Morrison, et al v. Unisys Corporation, et al (filed on November 4, 1999) and Alex Igdalski and Michael Sayegh, et al v. Unisys Corporation, et al (filed on November 9, 1999). The Company believes it has meritorious defenses to these actions and intends to defend them vigorously.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

See Exhibit Index

(b) Reports on Form 8-K

During the quarter ended September 30, 1999, the Company filed one Current Report on Form 8-K dated July 15, 1999 to report under Items 5 and 7 of such Form.

SIGNATURES

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: November 12, 1999

By: /s/ Robert H. Brust

Robert H. Brust
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Janet M. Brutschea Haugen

Janet M. Brutschea Haugen
Vice President and Controller
(Chief Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of Unisys Corporation
10.1	Amendment, effective September 24, 1999, to the Director Stock Unit Plan
10.2	Amendments, effective September 24, 1999, to the Deferred Compensation Plan for Executives of Unisys Corporation
10.3	Amendment, effective September 24, 1999, to the Deferred Compensation Plan for Directors of Unisys Corporation
11.1	Statement of Computation of Earnings Per Share for the nine months ended September 30, 1999 and 1998
11.2	Statement of Computation of Earnings Per Share for the three months ended September 30, 1999 and 1998
12	Statement of Computation of Ratio of Earnings to Fixed Charges
27.1	Financial Data Schedule for the period ended September 30, 1999
27.2	Restated Financial Data Schedule for the year ended December 31, 1996
27.3	Restated Financial Data Schedule for the year ended December 31, 1997
27.4	Restated Financial Data Schedule for the period ended March 31, 1998
27.5	Restated Financial Data Schedule for the period ended June 30, 1998
27.6	Restated Financial Data Schedule for the period ended September 30, 1998
27.7	Restated Financial Data Schedule for the year ended December 31, 1998
27.8	Restated Financial Data Schedule for the period ended March 31, 1999
27.9	Restated Financial Data Schedule for the period ended June 30, 1999

RESTATED
CERTIFICATE OF INCORPORATION
OF
UNISYS CORPORATION

ARTICLE I

The name of the corporation (hereinafter called the "Corporation") is Unisys Corporation.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose or purposes for which the Corporation is organized are:

To engage in the business of designing, manufacturing and marketing of components, products, systems and forms and supplies for the recording, storing, handling, computing, processing and communicating of information and data, and of providing related services; and

To engage in any other lawful act or activity for which a corporation may be organized under the General Corporation Law of Delaware.

ARTICLE IV

SECTION 1. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 760,000,000 shares, divided into two classes consisting of 720,000,000 shares of Common Stock, par value $.01 per share ("Common Stock"), and 40,000,000 shares of Preferred Stock, par value $1 per share ("Preferred Stock"). The Board of Directors shall have authority by resolution to issue the shares of Preferred Stock from time to time on such terms as it may determine and to divide the Preferred Stock into one or more series and, in connection with the creation of any such series, to determine and fix by the resolution or resolutions providing for the issuance of shares thereof:

A. the distinctive designation of such series, the number of shares which shall constitute such series, which number may be increased or decreased (but not below the number of shares then outstanding) from time to time by action of the Board of Directors, and the stated value thereof, if different from the par value thereof;

B. the dividend rate, the times of payment of dividends on the shares of such series, whether dividends shall be cumulative, and, if so, from what date or dates, and the preference or relation which such dividends will bear to the dividends payable on any shares of stock of any other class or any other series of this class;

C. the price or prices at which, and the terms and conditions on which, the shares of such series may be redeemed;

D. whether or not the shares of such series shall be entitled to the benefit of a retirement or sinking fund to be applied to the purchase or redemption of such shares and, if so entitled, the amount of such fund and the terms and provisions relative to the operation thereof;

E. whether or not the shares of such series shall be convertible into, or exchangeable for, any other shares of stock of the Corporation or any other securities and, if so convertible or exchangeable, the conversion price or prices, or the rates of exchange, and any adjustments thereof, at which such conversion or exchange may be made, and any other terms and conditions of such conversion or exchange;

F. the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up or upon any distribution of the assets, of the Corporation;

G. whether or not the shares of such series shall have priority over or parity with or be junior to the shares of any other class or series in any respect, or shall be entitled to the benefit of limitations restricting (i) the creation of indebtedness of the Corporation, (ii) the issuance of shares of any other class or series having priority over or being on a parity with the shares of such series in any respect, or (iii) the payment of dividends on, the making of other distributions in respect of, or the purchase or redemption of shares of any other class or series on parity with or ranking junior to the shares of such series as to dividends or assets, and the terms of any such restrictions, or any other restriction with respect to shares of any other class or series on parity with or ranking junior to the shares of such series in any respect;

H. whether such series shall have the voting rights, in addition to any voting rights provided by law and, if so, the terms of such voting rights, which may be general or limited; and

I. any other powers, preferences, privileges, and relative participating, optional, or other special rights of such series, and the qualifications, limitations or restrictions thereof, to the full extent now or hereafter permitted by law.

The powers, preferences and relative participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. All shares of any one series of Preferred Stock shall be identical in all respects with all other shares of such series, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall be cumulative.

SECTION 2. Each holder of Common Stock shall be entitled to one vote for each share of Common Stock held of record on all matters on which stockholders generally are entitled to vote. Subject to the provisions of law and the rights of the Preferred Stock and any other class or series of stock having a preference as to dividends over the Common Stock then outstanding, dividends may be paid on the Common Stock at such times and in such amounts as the Board of Directors shall determine. Upon the dissolution, liquidation or winding up of the Corporation, after any preferential amounts to be distributed to the holders of the Preferred Stock and any other class or series of stock having a preference over the Common Stock then outstanding have been paid or declared and set apart for payment, the holders of the Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them, respectively.

SECTION 3. JUNIOR PREFERRED STOCK:

A. DESIGNATION AND AMOUNT. The shares of such series shall be designated as "Junior Participating Preferred Stock" (the "Junior Preferred Stock") and the number of shares constituting such series shall be 1,500,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Junior Preferred Stock to a number less than the number of shares then outstanding plus the number of shares issuable upon exercise of outstanding rights, options or warrants or upon conversion of outstanding securities issued by the Corporation.

B. DIVIDENDS AND DISTRIBUTIONS.

(i) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Junior Preferred Stock with respect to dividends, the holders of shares of Junior Preferred Stock, in preference to the holders of Common Stock and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Junior Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $15 or (b) subject to the provision for adjustment hereinafter set forth, 300 times the aggregate per share amount of all cash dividends, and 300 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock, or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment

Date, since the first issuance of any share or fraction of a share of Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(ii) The Corporation shall declare a dividend or distribution on the Junior Preferred Stock as provided in Paragraph (i) of this Subsection immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $15 per share on the Junior Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(iii) Dividends shall begin to accrue and be cumulative on outstanding shares of Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Junior Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Junior Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

C. VOTING RIGHTS. The holders of shares of Junior Preferred Stock shall have the following voting rights:

(i) Subject to the provision for adjustment hereinafter set forth, each share of Junior Preferred Stock shall entitle the holder thereof to 300 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(ii) Except as otherwise provided herein or by law, the holders of shares of Junior Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(iii) The Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Junior Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Junior Preferred Stock, voting together as a single series.

(iv) Except as set forth herein, holders of Junior Preferred

Stock shall have no voting rights.

D. CERTAIN RESTRICTIONS.

(i) Whenever quarterly dividends or other dividends or distributions payable on the Junior Preferred Stock as provided in Subsection B are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Junior Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(a) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Junior Preferred Stock;

(b) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Junior Preferred Stock, except dividends paid ratably on the Junior Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled; or

(c) purchase or otherwise acquire for consideration any shares of Junior Preferred Stock, or any shares of stock ranking on a parity with the Junior Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(ii) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under Paragraph (i) of this Subsection (D) purchase or otherwise acquire such shares at such time and in such manner.

E. REACQUIRED SHARES. Any shares of Junior Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock, subject to the conditions and restrictions on issuance set forth herein.

F. LIQUIDATION, DISSOLUTION OR WINDING UP. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution, or winding up) to the Junior Preferred Stock unless, prior thereto, the holders of shares of Junior Preferred Stock shall have received $100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Junior Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 300 times the aggregate amount to be distributed per share to holders of Common Stock, or (2) to the holders of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Junior Preferred Stock, except distributions made ratably on the Junior Preferred Stock and all other such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

G. CONSOLIDATION, MERGER, ETC. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Junior Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 300 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Junior Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

H. NO REDEMPTION. The shares of Junior Preferred Stock shall not be redeemable.

I. RANK. Nothing herein shall preclude the Board of Directors from creating or authorizing any class or series of Preferred Stock ranking on a parity with or prior to the Junior Preferred Stock as to the payment of dividends or the distribution of assets.

SECTION 4. At the effective time of the amendment to Article IV, Section 1 of this Restated Certificate of Incorporation authorizing the Corporation to issue shares of Common Stock, par value $.01 per share, each share of Common Stock, par value $5 per share, of the Corporation issued and outstanding or held in the treasury of the Corporation immediately prior to such effective time, shall be changed into and reclassified as one share of Common Stock, par value $.01 per share. To reflect such change and reclassification, each certificate representing shares of Common Stock, par value $5 per share, theretofore issued and outstanding or held in the treasury of the Corporation shall, from and after such effective time, represent a like number of shares of Common Stock, par value $.01 per share.

ARTICLE V

SECTION 1. VOTE REQUIRED FOR CERTAIN BUSINESS COMBINATIONS.

A. HIGHER VOTE FOR CERTAIN BUSINESS COMBINATIONS. In addition to any affirmative vote required by law or this Restated Certificate of Incorporation, and except as otherwise expressly provided in Section 2 of this Article V:

(i) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (a) any Interested Stockholder (as hereinafter defined) or (b) any other corporation (whether or not itself an Interested Stockholder) which is, or after such merger or consolidation would be, an Affiliate (as hereinafter defined) of an Interested Stockholder; or

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Stockholder or any Affiliate of any Interested Stockholder of any assets of the Corporation or any Subsidiary having an aggregate Fair Market Value of $50,000,000 or more; or

(iii) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of transactions) of any securities of the Corporation or any Subsidiary to any Interested Stockholder or any Affiliate of any Interested Stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate Fair Market Value of $50,000,000 or more; or

(iv) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation proposed by or on behalf of an Interested Stockholder or any Affiliate of any Interested Stockholder; or

(v) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving an Interested Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class or equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Interested Stockholder or any Affiliate of any Interested Stockholder;

shall require the affirmative vote of the holders of at least 80% of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), voting together as a single class (it being understood that for purposes of this Article V, each share of the Voting Stock shall have the number of votes granted to it pursuant to Article IV of this Restated Certificate of Incorporation). Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

B. DEFINITION OF "BUSINESS COMBINATION". The term "Business Combination" as used in this Article V shall mean any transaction which is referred to in any one or more of clauses (i) through (v) of Paragraph A of this Section I.

SECTION 2. WHEN HIGHER VOTE IS NOT REQUIRED. The provisions of Section 1 of this Article V shall not be applicable to any particular Business Combination, and such Business Combination shall require only such affirmative vote as is required by law and any other provisions of this Restated Certificate of Incorporation, if all of the conditions specified in either the following Paragraphs A and B are met:

A. APPROVAL BY DISINTERESTED DIRECTORS. The Business Combination shall have been approved by a majority of the Disinterested Directors (as hereinafter defined).

B. PRICE AND PROCEDURE REQUIREMENTS. All of the following conditions shall have been met:

(i) The aggregate amount of the cash and the Fair Market Value (as hereinafter defined) as of the date of the consummation of the Business Combination of consideration other than cash to be received per share by holders of Common Stock in such Business Combination shall be at least equal to the higher of the following:

(a) (if applicable) the highest per share price (including any brokerage commission, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of Common Stock (or for any shares of common stock of Burroughs Corporation, a Michigan corporation, the predecessor to the Corporation) acquired by it (1) within the two-year period immediately prior to the first public announcement of the proposal of the Business Combination (the "Announcement Date") or (2) in the transaction in which it became an Interested Stockholder, whichever is higher; and

(b) the Fair Market Value per share of Common Stock (or for any shares of common stock of Burroughs Corporation, a Michigan corporation, the predecessor of the Corporation) on the Announcement Date or on the date on which the Interested Stockholder became an Interested Stockholder (such latter date is referred to in this Article V as the "Determination Date"), whichever is higher.

(ii) The aggregate amount of the cash and the Fair Market Value as of the date of the consummation of the Business Combination of consideration other than cash to be received per share by holders of shares of any other class of outstanding Voting Stock shall be at least equal to the highest of the following (it being intended that the requirements of this paragraph B(ii) shall be required to be met with respect to every class of outstanding Voting Stock, whether or not the Interested Stockholder has previously acquired any shares of a particular class of Voting Stock):

(a) (if applicable) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Stockholder for any shares of such class of Voting Stock acquired by it (1) within the two-year period immediately prior to the

Announcement Date or (2) in the transaction in which it became an Interested Stockholder, whichever is higher;

(b) (if applicable) the highest preferential amount per share to which the holders of shares of such class of Voting Stock are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation; and

(c) the Fair Market Value per share of such class of Voting Stock on the Announcement Date or on the Determination Date, whichever is higher.

(iii) The consideration to be received by holders of a particular class of outstanding Voting Stock (including Common Stock) shall be in cash or in the same form as the Interested Stockholder has previously paid for shares of such class of Voting Stock. If the Interested Stockholder has paid for shares of any class of Voting Stock with varying forms of consideration, the form of consideration for such class of Voting Stock shall be either cash or the form used to acquire the largest number of shares of such class of Voting Stock previously acquired by it.

(iv) After such Interested Stockholder has become an Interested Stockholder and prior to the consummation of such Business Combination: (a) except as approved by a majority of the Disinterested Directors, there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) on the outstanding Preferred Stock; (b) there shall have been (1) no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any subdivision of the Common Stock), except as approved by a majority of the Disinterested Directors, and (2) an increase in such annual rate of dividends as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of the Common Stock, unless the failure so to increase such annual rate is approved by a majority of the Disinterested Directors; and (c) such Interested Stockholder shall have not become the beneficial owner of any additional shares of Voting Stock except as part of the transaction which results in such Interested Stockholder becoming an Interested Stockholder.

(v) After such Interested Stockholder has become an Interested Stockholder, such Interested Stockholder shall not have received the benefit, directly or indirectly (except proportionately as a stockholder), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation, whether in anticipation of or in connection with such Business Combination or otherwise.

(vi) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to public stockholders of the Corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions).

SECTION 3. CERTAIN DEFINITIONS. For the purpose of this Article V:

A. A "person" shall mean any individual or firm, corporation, partnership, limited partnership, joint venture, trust, unincorporated association or other entity.

B. "Interested Stockholder" shall mean any person (other than the Corporation or any Subsidiary) who or which:

(i) is the beneficial owner, directly or indirectly, of more than 20% of the voting power of the outstanding Voting Stock; or

(ii) is an Affiliate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of 20% or more of the voting power of then outstanding Voting Stock; or

(iii) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the two-year period immediately prior to the date in question beneficially owned by any Interested Stockholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

C. A person shall be a "beneficial owner" of any Voting Stock:

(i) which such person or any of its Affiliates or Associates (as hereinafter defined) beneficially owns, directly or indirectly; or

(ii) which such person or any of its Affiliates or Associates has (a) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (b) the right to vote pursuant to any agreement, arrangement or understanding; or

(iii) which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

D. For the purpose of determining whether a person is an Interested Stockholder pursuant to Paragraph B of this Section 3, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned through application of Paragraph C of this Section 3, but shall not include any other shares of Voting Stock which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

E. "Affiliate" or "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on February 24, 1984.

F. "Subsidiary" means any corporation of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Interested Stockholder set forth in Paragraph B of this Section 3, the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

G. "Disinterested Director" means any member of the Board of Directors of the Corporation (the "Board") who is unaffiliated with the Interested Stockholder and was a member of the Board prior to the time that the Interested Stockholder became an Interested Stockholder, and any successor of a Disinterested Director who is not an affiliate of the Interested Stockholder and is recommended to succeed a Disinterested Director by a majority of Disinterested Directors then on the Board.

H. "Fair Market Value" means (i) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange - Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on the Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotation System or any system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by the Board in good faith; and (ii) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined by the Board in good faith.

I. In the event of any Business Combination in which the Corporation survives, the phrase "other consideration to be received" as used in Paragraphs B(i) and (ii) of Section 2 of this Article V shall include the shares of Common Stock and/or the shares of any other class of outstanding Voting Stock retained by the holders of such shares.

SECTION 4. POWERS OF THE BOARD OF DIRECTORS. A majority of the directors of the Corporation shall have the power and duty to determine for the purposes of this Article V, on the basis of information known to them after reasonable inquiry, (A) whether a person is an Interested Stockholder, (B) the number of shares of Voting Stock beneficially owned by any persons, (C) whether a person is an Affiliate or Associate of another and (D) whether the assets which are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of $50,000,000 or more.

SECTION 5. NO EFFECT ON FIDUCIARY OBLIGATIONS OF INTERESTED STOCKHOLDERS. Nothing contained in this Article V shall be construed to relieve any Interested Stockholder from any fiduciary obligation imposed by law.

ARTICLE VI

BOARD OF 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. STOCKHOLDER NOMINATION OF DIRECTOR CANDIDATES. Advance notice of stockholder nominations for the election of directors shall be given in the manner provided in the Bylaws of the Corporation.

SECTION 4. 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 5. 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.

ARTICLE VII

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. Except as otherwise required by law and 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 stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors.

ARTICLE VIII

BYLAW AMENDMENTS

The Board of Directors shall have power to make, alter, amend and repeal the Bylaws of the Corporation (except so far as the Bylaws of the Corporation adopted by the stockholders shall otherwise provide). Any Bylaws made by the Directors under the powers conferred hereby may be altered, amended or repealed by the Directors or by the stockholders. Notwithstanding the foregoing and anything contained in this Restated Certificate of Incorporation or the Bylaws to the contrary, Sections 2 and 3 of Article I and Sections 1 through 5 of Article II of the Bylaws shall not be altered, amended or repealed and no provision inconsistent therewith shall be adopted without the affirmative vote of the holders of at least 80% of the voting power of all the shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE IX

AMENDMENTS TO CERTIFICATE OF INCORPORATION

Notwithstanding any other provisions of the Certificate of Incorporation or the Bylaws of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law, this Certificate of Incorporation or the Bylaws of the Corporation), the affirmative vote of the holders of 80% or more of the voting power of the shares of the then outstanding voting stock of the Corporation, voting together as a single class, shall be required to amend or repeal, or adopt any provisions inconsistent with, Articles V, VI, VII, VIII or this Article IX of this Restated Certificate of Incorporation.

ARTICLE X

SECTION 1. ELIMINATION OF CERTAIN LIABILITY OF DIRECTORS. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

SECTION 2. INDEMNIFICATION AND INSURANCE.

(a) RIGHT TO INDEMNIFICATION. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer, of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in Paragraph (b) hereof, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

(b) RIGHT OF CLAIMANT TO BRING SUIT. If a claim under Paragraph (a) of this Section is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of providing such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) NON-EXCLUSIVITY OF RIGHTS. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

(d) INSURANCE. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

IN WITNESS WHEREOF, said Unisys Corporation has caused this Certificate to be signed by Harold S. Barron, its Senior Vice President, General Counsel and Secretary, and attested to by Mary Kay Gould, its Assistant Secretary this 27th day of September, 1999.

UNISYS CORPORATION

By: /s/ Harold S. Barron

Senior Vice President,
General Counsel and Secretary

ATTEST:

By: /s/ Mary Kay Gould

Assistant Secretary

UNISYS CORPORATION

AMENDMENT
TO THE
DIRECTOR STOCK UNIT PLAN

1. A new Section 4(D) is added to the Plan, effective September 24, 1999, to read as follows:

"(D) Transfer of Previously Deferred Amounts. Upon the election of a Director, all or any portion of a Director's Account held under the terms of the Deferred Compensation Plan for Directors of Unisys Corporation may be transferred and credited under this Plan as Elective Stock Units, based on the Fair Market Value on the date of transfer. Payment of a Director's Stock Units credited to the Plan under this Section 4(D) shall be made in accordance with the Director's original deferral election, subject to any subsequent elections permitted under this Plan."

2. Section 8(B)(1) is amended and restated in its entirety, effective September 24, 1999 to read as follows:

"(B) Revised Election.

(1) Pursuant to a Revised Election, a Director may specify:

(I) a date for the commencement of the payment of the Director's Account that is after the date specified in the Director's Election; and/or

(II) a form of payment that calls for a greater number of annual installment payments than that specified in the Director's Election, or a number of annual installment payments where the Director specified a single sum payment in his or her Election; and/or

(III) a mode of payment (cash or stock) that is different than that specified in the Director's Election.

(IV) Notwithstanding the foregoing, a Director may not elect a time of benefit commencement and/or a form of payment to the extent that such an election would cause any payments to be made after the March 31 first following the date that is 20 years after the date of the Director's termination of service as a Director."

UNISYS CORPORATION

AMENDMENTS
TO THE
DEFERRED COMPENSATION PLAN FOR EXECUTIVES OF UNISYS CORPORATION

1. Section 2.9 is amended and restated in its entirety, effective September 24, 1999, to read as follows:

"2.9 'Eligible Executive' means, for any calendar year, an individual whose base salary from the Corporation plus 75% of target EVC equals or exceeds the maximum amount of compensation that is permitted to be taken into account under Section 401(a)(17) of the Internal Revenue Code."

2. Section 4.2(b) and (c) are amended and restated in their entirety, effective September 24, 1999, to read as follows:

"(b) Each Eligible Executive may elect, at the same time as a Deferral Election is made, to have one or more of the Investment Measurement Options applied to current deferrals. Such election with respect to current deferrals may be changed at any time upon appropriate notice to the Plan recordkeeper.

"(c) Subject to the restrictions described in subsection (e), a Participant may elect to change the manner in which Investment Measurement Options apply to existing account Balances. Such an election will be effective upon appropriate notice to the Plan recordkeeper."

UNISYS CORPORATION

AMENDMENT
TO THE
DEFERRED COMPENSATION PLAN FOR DIRECTORS OF UNISYS CORPORATION

1. Sections 4.2(b) and(c) are amended and restated in their entirety, effective September 24, 1999, to read as follows:

"(b) Each Eligible Director may elect, at the same time as a Deferral Election is made, to have one or more of the Investment Measurement Options applied to current deferrals. Such election with respect to current deferrals may be changed at any time upon appropriate notice to the Corporate Executive Compensation Department.

(c) Subject to the restrictions described in Subsection (d), a Participant may elect to change the manner in which Investment Measurement Options apply to existing Account Balances. In addition, a Participant may elect to transfer all or any portion of his/her Account balance to the Director Stock Unit Plan and such amounts will be credited under that Plan as Elective Stock Units, subject to the terms and conditions of the Director Stock Unit Plan. Any election described in this subsection (c) will be effective upon appropriate notice to the Corporate Executive Compensation Department."

UNISYS CORPORATION
STATEMENT OF COMPUTATION OF EARNINGS PER SHARE
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998
(UNAUDITED)
(Millions, except share data)

	1999	1998
Earnings per share computation - basic		
Income before extraordinary item	$ 378.4	$ 240.7
Less dividends on preferred shares	(36.7)	(79.9)
Income available to common stockholders before extraordinary item	341.7	160.8
Extraordinary item	(12.1)	
Net income available to common stockholders	$ 329.6	$ 160.8
Weighted average shares	279,677,558	252,458,000
Earnings per share - basic		
Income before extraordinary item	$ 1.22	$ .64
Extraordinary item	(.04)	
Net income	$ 1.18	$ .64
Earnings per share computation - diluted		
Income available to common stockholders before extraordinary item	$ 341.7	$ 160.8
Plus impact of assumed conversions		
Interest expense on 8 1/4% Convertible Notes due 2006, net of tax	.3	1.2
Income available to common stockholders before extraordinary item	342.0	162.0
Extraordinary item	(12.1)	
Net income available to common stockholders	$ 329.9	$ 162.0
Weighted average shares	279,677,558	252,458,000
Plus incremental shares from assumed conversions		
Employee stock plans	10,796,201	11,020,766
8 1/4% Convertible Notes due 2006	1,090,473	4,012,508
Preferred stock	1,169,000	1,348,726
Adjusted weighted average shares	292,733,232	268,840,000
Earnings per share - diluted		
Income before extraordinary item	$ 1.17	$ .60
Extraordinary item	(.04)	
Net income	$ 1.13	$ .60

The average shares listed below were not included in the computation of diluted earnings per share because to do so would have been antidilutive for the periods presented.

Series A preferred stock	25,862,243	47,449,470

UNISYS CORPORATION
STATEMENT OF COMPUTATION OF EARNINGS PER SHARE
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998
(UNAUDITED)
(Millions, except share data)

	1999	1998
Earnings per share computation - basic		
Income before extraordinary item	$ 150.5	$ 93.8
Less dividends on preferred shares	(1.9)	(26.6)
Income available to common stockholders before extraordinary item	148.6	67.2
Extraordinary item	(12.1)	
Net income available to common stockholders	$ 136.5	$ 67.2
Weighted average shares	302,182,675	254,876,000
Earnings per share - basic		
Income before extraordinary item	$ .49	$ .26
Extraordinary item	(.04)	
Net income	$ .45	$ .26
Earnings per share computation - diluted		
Income available to common stockholders before extraordinary item	$ 148.6	$ 67.2
Plus impact of assumed conversions		
Interest expense on 8 1/4% Convertible Notes due 2006, net of tax	-	.4
Income available to common stockholders before extraordinary item	148.6	67.6
Extraordinary item	(12.1)	
Net income available to common stockholders	$ 136.5	$ 67.6
Weighted average shares	302,182,675	254,876,000
Plus incremental shares from assumed conversions		
Employee stock plans	11,492,800	11,538,799
8 1/4% Convertible Notes due 2006	-	3,975,247
Preferred Stock	866,000	1,349,954
Adjusted weighted average shares	314,541,475	271,740,000
Earnings per share - diluted		
Income before extraordinary item	$ .47	$ .25
Extraordinary item	(.04)	
Net income	$ .43	$ .25

The average shares listed below were not included in the computation of diluted earnings per share because to do so would have been antidilutive for the periods presented.

Series A preferred stock	3,895,078	47,448,144

Exhibit 12

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

	Nine Months Ended Sept 30, 1999	Years Ended December 31 1998	1997	1996	1995	1994
Income (loss) from continuing operations before income taxes	$548.3	$594.2	$(748.1)	$ 80.2	$(786.0)	$ 17.4
Add (deduct) share of loss (income) of associated companies	14.2	(.3)	5.9	(4.9)	5.0	16.6
Subtotal	562.5	593.9	(742.2)	75.3	(781.0)	34.0
Interest expense	103.0	171.7	233.2	249.7	202.1	203.7
Amortization of debt issuance expenses	3.1	4.6	6.7	6.3	5.1	6.2
Portion of rental expense representative of interest	36.8	49.1	51.8	59.8	65.9	65.6
Total Fixed Charges	142.9	225.4	291.7	315.8	273.1	275.5
Earnings (loss) from continuing operations before income taxes and fixed charges	$705.4	$819.3	$(450.5)	$391.1	$(507.9)	$309.5
Ratio of earnings to fixed charges	4.94	3.63	(a)	1.24	(a)	1.12

(a) Earnings for the years ended December 31, 1997 and 1995 were inadequate to cover fixed charges by approximately $742.2 and $781.0 million, respectively.

5
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS INCLUDED IN THE COMPANY'S FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

9-MOS
DEC-31-1999
SEP-30-1999

374
0
1,289
(49)
407
2,631
1,724
(1,137)
5,565
2,507
951
0
0
3
1,753
5,565
2,050
5,585
1,033
3,582
0
12
103
548
170
378
0
(12)
0
366
1.18
1.13

5
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

12-MOS
DEC-31-1996
DEC-31-1996

1,048
6
1,058
(80)
646
3,162
1,964
1,339
7,002
2,478
2,271
2
150
1,425
187
7,002
2,427
6,398
1,700
4,270
0
2
250
80
29
51
0
(12)
0
39
(.40)
(.40)

5
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED
FROM THE COMPANY'S FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED
DECEMBER 31, 1997 AND IS QUALIFIEDIN ITS ENTIRETY BY REFERENCE TO
SUCH FINANCIAL STATEMENTS.

1,000,000

YEAR
DEC-31-1997
DEC-31-1997

824
0
957
(65)
565
2,918
1,787
1,200
5,632
2,596
1,438
0
1,438
3
(213)
5,632
2,846
6,663
1,523
4,387
0
10
233
(748)
105
(853)
0
0
0
(853)
(5.25)
(5.25)

5
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED
FROM THE COMPANY'S FINANCIAL STATEMENTS FOR THE QUARTERLY PERIOD
ENDED MARCH 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

3-MOS
DEC-31-1998
MAR-31-1998

672
0
861
(67)
573
2,664
1,773
1,206
5,360
2,310
1,436
0
1,438
3
(186)
5,360
727
1,656
322
1,093
0
2
47
95
35
60
0
0
0
60
.13
.13

5
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED
FROM THE COMPANY'S FINANCIAL STATEMENTS FOR THE QUARTERLY PERIOD
ENDED JUNE 30, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE
TO SUCH FINANCIAL STATEMENTS.

1,000,000

6-MOS
DEC-31-1998
JUN-30-1998

726
0
954
(67)
558
2,785
1,773
(1,209)
5,473
2,343
1,432
0
1,445
3
(100)
5,473
1,356
3,393
748
2,244
0
3
89
233
86
147
0
0
0
147
.37
.35

5
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED
FROM THE COMPANY'S FINANCIAL STATEMENTS FOR THE QUARTERLY PERIOD
ENDED SEPTEMBER 30, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

9-MOS
DEC-31-1998
SEP-30-1998

796
0
986
(68)
546
2,852
1,744
(1,173)
5,540
2,518
1,271
0
1,448
3
(53)
5,540
2,001
5,186
1,092
3,430
0
4
132
381
140
241
0
0
0
241
.64
.60

5
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED
FROM THE COMPANY'S FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED
DECEMBER 30, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE
TO SUCH FINANCIAL STATEMENTS.

1,000,000

12-MOS
DEC-31-1998
DEC-31-1998

616
0
1,259
(47)
471
2,844
1,735
(1,149)
5,613
2,597
1,107
0
1,445
3
88
5,613
2,737
7,244
1,453
4,776
0
4
172
594
218
376
0
0
0
376
1.07
1.01

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S FINANCIAL STATEMENTS FOR THE QUARTERLY PERIOD ENDED MARCH 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

3-MOS
DEC-31-1999
MAR-31-1999

433
0
1,225
(45)
456
2,607
1,662
(1,107)
5,360
2,466
1,079
0
1,034
3
417
5,360
715
1,823
334
1,154
0
5
34
170
60
110
0
0
0
110
.33
.31

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S FINANCIAL STATEMENTS FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

6-MOS
DEC-31-1999
JUN-30-1999

447
0
1,244
(47)
391
2,611
1,678
1,121
5,483
2,441
1,090
0
695
3
908
5,483
1,369
3,719
682
2,387
0
8
69
352
124
228
0
0
0
228
.72
.69