

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported) January 20, 2004

UNISYS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

1-8729

38-0387840

(State or Other
Jurisdiction of
Incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

Township Line and Union Meeting Roads,
Blue Bell, Pennsylvania 19424

(Address of Principal Executive Offices) (Zip Code)

(215) 986-4011

(Registrant's telephone number, including area code)

Item 7. Exhibits.

(c) The following exhibit is being furnished herewith:

99 News Release, dated January 20, 2004, of Unisys Corporation

Item 12. Results of Operations and Financial Condition.

On January 20, 2004, Unisys Corporation issued a news release to report its financial results for the quarter and year ended December 31, 2003. The release is furnished as Exhibit 99 hereto. The information in this Item 12 and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934.

SIGNATURE

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

UNISYS CORPORATION

Date: January 20, 2004

By: /s/ Janet B. Haugen

Janet B. Haugen
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit
No.

99 News Release, dated January 20, 2004, of Unisys Corporation.

NEWS RELEASE

UNISYS

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UNISYS REPORTS STRONG EARNINGS IN 2003 AND GENERATES MORE THAN \$130 MILLION OF FREE CASH FLOW

COMPANY RECONFIRMS EARNINGS GUIDANCE FOR 2004

BLUE BELL, Pa., January 20, 2004 - Unisys Corporation (NYSE: UIS) today reported a strong fourth quarter of 2003, meeting its earnings per share target for both the quarter and the year and generating \$134 million of free cash flow (cash from operations reduced by capital expenditures) in 2003.

For the fourth quarter of 2003, Unisys net income rose to \$111.5 million, or 33 cents per diluted share, compared to fourth-quarter 2002 net income of \$89.1 million, or 27 cents per share. The fourth-quarter 2003 results include a tax benefit of \$3.8 million, or 1 cent per share, from the positive resolution of a tax matter. Revenue for the fourth quarter of 2003 grew 5% to \$1.64 billion from revenue of \$1.55 billion in the year-ago period. Currency had a 6 percentage-point positive impact on the company's revenue in the fourth quarter, reflecting a weak U.S. dollar against most major currencies worldwide.

For the full year of 2003, Unisys reported net income of \$258.7 million, or 78 cents per diluted share, compared to full-year 2002 net income of \$223.0 million, or 69 cents per share. Included in these results is the \$3.8 million tax benefit as noted above. Revenue for the full year of 2003 rose 5% to \$5.91 billion from \$5.61 billion for the full year of 2002. Revenue grew 1% on a constant currency basis in 2003. At December 31, 2003, the company had approximately \$9 billion of services backlog, which included \$2.6 billion of unfunded U.S. government orders.

Included in the results for the fourth quarter and full year 2003 and 2002 is the impact of pension accounting. For the fourth quarter, pretax pension income declined from \$34.8 million in 2002 to \$0.2 million expense in 2003, a decrease of \$35 million. For the full year, pretax pension income decreased from \$143.5 million in 2002 to \$22.6 million in 2003, a decrease of \$121 million. Earnings per share excluding pension accounting increased from 39 cents in 2002 to 73 cents in 2003 and from 20 cents in the fourth quarter of 2002 to 33 cents in the fourth quarter of 2003.

COMMENTS FROM CHAIRMAN AND CEO LARRY WEINBACH

"This was a very good year for Unisys, delivering consistent results in a volatile industry environment," said Unisys Chairman and CEO Lawrence A. Weinbach. "We significantly increased our operating cash flow, generated \$134 million in free cash flow, and met our earnings per share target for the year. Our earnings per share in 2003 increased 13% on a reported basis and 87% after eliminating the impact of pension accounting in both 2003 and 2002. We also continued to enhance our value-added strategy with new services and product offerings."

Weinbach said that in 2003 Unisys met each of its strategic objectives for the year. These accomplishments included:

- * double-digit growth in business process outsourcing;
- * double-digit growth in enterprise security revenue with a growing base of security clients;
- * a 110-basis point improvement in services operating margins, excluding the impact of pension accounting;
- * double-digit growth in ES7000 server sales;
- * a reduction in selling, general and administrative (SG&A) expenses as a percentage of revenue from 17.7% in 2002 to 17.0% in 2003.

"The talent, commitment, dedication, and teamwork of our more than 37,000 employees worldwide enabled us to achieve these outstanding results in 2003," Weinbach said.

FOURTH-QUARTER COMPANY HIGHLIGHTS

U.S. revenue grew 3% to \$741 million, driven by continued growth in the company's U.S. Federal government business. Revenue in international markets increased 7% to \$897 million.

Due to a decline in outsourcing orders, services orders declined in the fourth quarter. Services orders, excluding outsourcing, showed double-digit growth in the fourth quarter. The timing of outsourcing deal closures can vary significantly from quarter to quarter because of the large size and extended closing process. Although outsourcing orders declined from a strong year-ago period, the company's pipeline of large deals remains strong.

The company's margins continued to improve in 2003 excluding the impact of pension accounting. On a reported basis Unisys reported an overall fourth-quarter 2003 gross profit margin of 31.2% compared to 31.7% in the year-ago period, and a fourth-quarter operating profit margin of 9.7% in both years. Excluding the impact of pension accounting in both years, fourth-quarter gross profit margins improved 90 basis points over the prior year to 31.5% while fourth-quarter operating margins improved 220 basis points to 9.7%.

SG&A expenses as a percentage of revenue declined to 16.5% in the fourth quarter of 2003 compared to 16.7% of revenue in the year-ago quarter.

FOURTH-QUARTER BUSINESS SEGMENT HIGHLIGHTS

Customer revenue in the company's services segment grew 10% in the fourth quarter, driven by strong growth in outsourcing and systems integration and consulting. On a reported basis, gross profit margins in the services business declined slightly from year-ago levels to 22.1% while services operating margins improved slightly from a year ago to 7.2%. Excluding the impact of pension accounting in both years, services gross profit margins improved to 22.6% in the fourth quarter of 2003 compared to 21.3% in the year-ago period, while services operating margins increased to 7.5% in the fourth quarter of 2003 from 5.3% in the year-ago quarter.

Customer revenue in the company's technology segment declined 9% in the fourth quarter, primarily driven by declines in specialized equipment sales. On a reported basis, gross margins in the technology business increased 2 percentage points from year-ago levels to 51.6% while technology operating margins declined 1 percentage point from a year ago to 14.6%. Excluding the impact of pension accounting in both years, technology gross margins improved to 51.4% in the fourth quarter of 2003 compared to 49.2% in the year-ago quarter, while technology operating margins increased to 13.6% in the fourth quarter of 2003 compared to 12.9% in the year-ago period.

CASH FLOW HIGHLIGHTS

Unisys generated \$367 million of cash flow from operations in the fourth quarter. Capital expenditures in the fourth quarter of 2003 were \$108 million, including \$79 million invested in revenue-generating projects.

For the full year of 2003, Unisys generated \$529 million of cash flow from operations. Capital expenditures were \$395 million, including \$286 million invested in revenue-generating projects. After deducting capital expenditures, Unisys generated \$134 million of free cash flow and ended 2003 with \$636 million of cash on hand.

PENSION PLANS AND ACCOUNTING

Unisys assumed an 8.75% expected long-term rate of return and a 6.75% discount rate for its U.S. pension plan in 2003. The company's U.S. pension plan assets returned 25% in 2003. For its U.S. pension plan in 2004, Unisys will again assume an 8.75% expected long-term rate of return. However, given the current interest rate environment, the U.S. discount rate will be reduced to 6.25%. Based on these and other assumptions, the company expects approximately \$85 million of pretax pension expense in 2004 compared to pretax pension income of \$22.6 million in 2003. The company paid approximately \$63 million into its pension plans in 2003 and expects cash contributions of about \$66 million in 2004. No cash payments were made in 2003 or are required in 2004 for the company's U.S. qualified defined benefit pension plan.

BUSINESS OUTLOOK

"We look for continued strong progress in 2004 as the market continues to

improve," Weinbach said. "We have five strategic objectives for the new year: to continue double-digit growth in our annuity-based outsourcing business; to drive continued growth in our services operating margin; to accelerate growth in enterprise security; to achieve double-digit growth in our ES7000 server sales; and to continue enhancing market brand awareness of Unisys. Financially, we continue to look for mid single-digit revenue growth in 2004, with earnings per share, excluding the impact of pension accounting, of about 83 - 87 cents. In the first quarter of 2004, we expect earnings per share of about 11 - 13 cents, excluding the impact of pension accounting, on single-digit revenue growth."

CONFERENCE CALL

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

ABOUT UNISYS

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

FORWARD-LOOKING STATEMENTS

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

PRESENTATION OF INFORMATION IN THIS PRESS RELEASE

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

RELEASE NO: 01208372 (See accompanying financial information)
http://www.unisys.com/about__unisys/news_a_events/01208372.htm

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

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

	Three Months		Year	
	Ended December 31		Ended December 31	
	2003	2002	2003	2002
Revenue				
Services	\$1,297.2	\$1,180.3	\$4,691.9	\$4,285.1
Technology	340.4	372.5	1,219.3	1,322.3
	1,637.6	1,552.8	5,911.2	5,607.4
Costs and expenses				
Cost of revenue:				
Services	979.3	882.9	3,654.7	3,244.9
Technology	147.6	178.2	541.5	674.0
	1,126.9	1,061.1	4,196.2	3,918.9
Selling, general and administrative	270.1	259.8	1,007.2	992.0
Research and development	81.4	80.7	280.1	273.3
	1,478.4	1,401.6	5,483.5	5,184.2
Operating income	159.2	151.2	427.7	423.2
Interest expense	18.3	13.3	69.6	66.5
Other income (expense), net	19.9	(5.0)	22.4	(23.9)
Income before income taxes	160.8	132.9	380.5	332.8
Provision for income taxes	49.3	43.8	121.8	109.8
Net income	\$111.5	\$89.1	\$258.7	\$223.0
Earnings per share				
Basic	\$.34	\$.27	\$.79	\$.69
Diluted	\$.33	\$.27	\$.78	\$.69
Shares used in the per share computations (thousands):				
Basic	331,371	325,726	329,349	323,526
Diluted	337,842	326,740	332,948	324,744

UNISYS CORPORATION
SEGMENT RESULTS
(Millions)

	Total	Elimi- nations	Services	Technology
	-----	-----	-----	-----
Three Months Ended December 31, 2003 -----				
Customer revenue Intersegment	\$1,637.6	(\$94.2)	\$1,297.2 6.7	\$340.4 87.5
	-----	-----	-----	-----
Total revenue	\$1,637.6	(\$94.2)	\$1,303.9	\$427.9
	=====	=====	=====	=====
Gross profit percent	31.2%		22.1%	51.6%
	=====		=====	=====
Operating profit percent	9.7%		7.2%	14.6%
	=====		=====	=====
Three Months Ended December 31, 2002 -----				
Customer revenue Intersegment	\$1,552.8	(\$98.9)	\$1,180.3 6.6	\$372.5 92.3
	-----	-----	-----	-----
Total revenue	\$1,552.8	(\$98.9)	\$1,186.9	\$464.8
	=====	=====	=====	=====
Gross profit percent	31.7%		22.5%	49.8%
	=====		=====	=====
Operating profit percent	9.7%		7.1%	15.7%
	=====		=====	=====
Year Ended December 31, 2003 -----				
Customer revenue Intersegment	\$5,911.2	(\$319.8)	\$4,691.9 25.9	\$1,219.3 293.9
	-----	-----	-----	-----
Total revenue	\$5,911.2	(\$319.8)	\$4,717.8	\$1,513.2
	=====	=====	=====	=====
Gross profit percent	29.0%		20.2%	50.4%
	=====		=====	=====
Operating profit percent	7.2%		5.0%	12.7%
	=====		=====	=====
Year Ended December 31, 2002 -----				
Customer revenue Intersegment	\$5,607.4	(\$331.9)	\$4,285.1 38.8	\$1,322.3 293.1
	-----	-----	-----	-----
Total revenue	\$5,607.4	(\$331.9)	\$4,323.9	\$1,615.4
	=====	=====	=====	=====
Gross profit percent	30.1%		22.2%	46.5%
	=====		=====	=====
Operating profit percent	7.5%		5.9%	11.7%
	=====		=====	=====

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Millions)

	December 31, 2003	December 31, 2002
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$635.9	\$301.8
Accounts and notes receivable, net	1,027.8	955.6
Inventories		
Parts and finished equipment	121.7	165.3
Work in process and materials	116.9	127.5
Deferred income taxes	270.0	311.3
Other current assets	85.7	84.5
	-----	-----
Total	2,258.0	1,946.0
	-----	-----
Properties	1,812.6	1,542.7
Less accumulated depreciation and amortization	1,077.3	932.9
	-----	-----
Properties, net	735.3	609.8
	-----	-----
Investments at equity	153.3	111.8
Marketable software, net	332.2	311.8
Prepaid pension cost	55.5	
Deferred income taxes	1,384.6	1,476.0
Goodwill	177.5	160.6
Other long-term assets	378.2	365.4
	-----	-----
Total	\$5,474.6	\$4,981.4
	=====	=====
 Liabilities and stockholders' equity		
Current liabilities		
Notes payable	\$17.7	\$77.3
Current maturities of long-term debt	2.2	4.4
Accounts payable	513.8	532.5
Other accrued liabilities	1,305.7	1,312.8
Income taxes payable	214.1	228.9
	-----	-----
Total	2,053.5	2,155.9
	-----	-----
Long-term debt	1,048.3	748.0
Accrued pension liabilities	433.6	727.7
Other long-term liabilities	544.0	493.8
Stockholders' equity		
Common stock	3.3	3.3
Accumulated deficit	(414.8)	(673.5)
Other capital	3,818.6	3,763.1
Accumulated other comprehensive loss	(2,011.9)	(2,236.9)
	-----	-----
Stockholders' equity	1,395.2	856.0
	-----	-----
Total	\$5,474.6	\$4,981.4
	=====	=====

UNISYS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Millions)

	Year Ended December 31	
	2003	2002
Cash flows from operating activities		
Net income	\$258.7	\$223.0
Add (deduct) items to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of properties	184.9	154.5
Amortization:		
Marketable software	123.6	121.0
Deferred outsourcing contract costs	34.1	22.3
Decrease in deferred income taxes, net	57.2	39.4
(Increase) decrease in receivables, net	(67.7)	156.5
Decrease in inventories	54.1	53.0
Increase (decrease) in accounts payable and other accrued liabilities	30.3	(129.2)
(Decrease) in income taxes payable	(4.8)	(15.5)
(Decrease) in other liabilities	(70.9)	(61.2)
(Increase) in other assets	(50.9)	(251.2)
Other	(19.4)	11.9
Net cash provided by operating activities	529.2	324.5
Cash flows from investing activities		
Proceeds from investments	5,054.0	3,447.1
Purchases of investments	(5,122.1)	(3,485.4)
Investment in marketable software	(144.1)	(139.9)
Capital additions of properties	(251.3)	(196.2)
Purchases of businesses	(5.3)	(4.8)
Net cash used for investing activities	(468.8)	(379.2)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	293.3	
Net (reduction in) short-term borrowings	(64.5)	(1.6)
Proceeds from employee stock plans	31.5	29.0
Payments of long-term debt	(4.8)	(2.1)
Net cash provided by financing activities	255.5	25.3
Effect of exchange rate changes on cash and cash equivalents	18.2	5.3
Increase (decrease) in cash and cash equivalents	334.1	(24.1)
Cash and cash equivalents, beginning of period	301.8	325.9
Cash and cash equivalents, end of period	\$635.9	\$301.8

Reconciliation of GAAP to Non-GAAP
Financial Information

The preceding release presents information with and without pension income. Unisys believes that this information will enhance an overall understanding of its financial performance due to the significant change in pension income from period to period and the non-operational nature of pension income. In addition, the release provides disclosure of free cash flow. The company defines free cash flow as net cash provided by (used for) operating activities less capital expenditures. This measure of free cash flow may not be comparable to similarly titled measures of other companies. Free cash flow is not intended as an alternative measure of cash flow from operations (as determined in accordance with GAAP). Rather, free cash flow is presented as additional information because the company believes it to be a useful indicator of its ability to execute its business strategy without reliance on additional borrowing or the use of its cash or liquid investments. The presentation of non-GAAP information is not meant to be considered in isolation or as a substitute for results prepared in accordance with accounting principles generally accepted in the United States.

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

	Three Months Ended 12/31/03		
	US GAAP as Reported	Less Pension Income	Without Pension Income
	-----	-----	-----
Revenue	\$1,637.6		\$1,637.6
Costs and expenses			
Cost of revenue	1,126.9	(\$5.7)	1,121.2
Selling, general and administrative	270.1	2.1	272.2
Research and development	81.4	3.4	84.8
	-----	-----	-----
	1,478.4	(0.2)	1,478.2
	-----	-----	-----
Operating income	159.2	0.2	159.4
Interest expense	18.3		18.3
Other income (expense), net	19.9		19.9
	-----	-----	-----
Income before income taxes	160.8	0.2	161.0
Provision for income taxes	49.3	0.3	49.6
	-----	-----	-----
Net income	\$111.5	(\$0.1)	\$111.4
	=====	=====	=====
Diluted earnings per share	\$.33	\$ -	\$.33
	=====	=====	=====

	Three Months Ended 12/31/02		
	US GAAP as Reported	Less Pension Income	Without Pension Income
	-----	-----	-----
Revenue	\$1,552.8		\$1,552.8
Costs and expenses			
Cost of revenue	1,061.1	\$16.8	1,077.9
Selling, general and administrative	259.8	10.1	269.9
Research and development	80.7	8.0	88.7
	-----	-----	-----
	1,401.6	34.9	1,436.5
	-----	-----	-----
Operating income	151.2	(34.9)	116.3
Interest expense	13.3		13.3
Other income (expense), net	(5.0)		(5.0)
	-----	-----	-----
Income before income taxes	132.9	(34.9)	98.0
Provision for income taxes	43.8	(11.5)	32.3
	-----	-----	-----
Net income	\$89.1	(\$23.4)	\$65.7
	=====	=====	=====
Diluted earnings per share	\$.27	(\$.07)	\$.20
	=====	=====	=====

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

	Year Ended 12/31/03		
	US GAAP as Reported	Less Pension Income	Without Pension Income
	-----	-----	-----
Revenue	\$5,911.2		\$5,911.2
Costs and expenses			
Cost of revenue	4,196.2	(\$1.3)	4,194.9
Selling, general and administrative	1,007.2	9.7	1,016.9
Research and development	280.1	14.2	294.3
	-----	-----	-----
	5,483.5	22.6	5,506.1
	-----	-----	-----
Operating income	427.7	(22.6)	405.1
Interest expense	69.6		69.6
Other income (expense), net	22.4		22.4
	-----	-----	-----
Income before income taxes	380.5	(22.6)	357.9
Provision for income taxes	121.8	(7.2)	114.6
	-----	-----	-----
Net income	\$258.7	(\$15.4)	\$243.3
	=====	=====	=====
Diluted earnings per share	\$.78	(\$.05)	\$.73
	=====	=====	=====

	Year Ended 12/31/02		
	US GAAP as Reported	Less Pension Income	Without Pension Income
	-----	-----	-----
Revenue	\$5,607.4		\$5,607.4
Costs and expenses			
Cost of revenue	3,918.9	\$73.0	3,991.9
Selling, general and administrative	992.0	39.4	1,031.4
Research and development	273.3	31.1	304.4
	-----	-----	-----
	5,184.2	143.5	5,327.7
	-----	-----	-----
Operating income	423.2	(143.5)	279.7
Interest expense	66.5		66.5
Other income (expense), net	(23.9)		(23.9)
	-----	-----	-----
Income before income taxes	332.8	(143.5)	189.3
Provision for income taxes	109.8	(47.4)	62.4
	-----	-----	-----
Net income	\$223.0	(\$96.1)	\$126.9
	=====	=====	=====
Diluted earnings per share	\$.69	(\$.30)	\$.39
	=====	=====	=====

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

	Three Months Ended 12/31/03		
	As Reported	Less Pension Income	Without Pension Income
Services Segment			
Total Revenue	\$1,303.9		\$1,303.9
Gross Profit	288.4	(6.4)	294.8
% of revenue	22.1%		22.6%
Operating income	93.9	(4.4)	98.3
% of revenue	7.2%		7.5%
Technology Segment			
Total Revenue	\$427.9		\$427.9
Gross Profit	220.8	0.7	220.1
% of revenue	51.6%		51.4%
Operating income	62.3	4.2	58.1
% of revenue	14.6%		13.6%
Total Company			
Total Revenue	\$1,637.6		\$1,637.6
Gross Profit	510.7	(5.7)	516.4
% of revenue	31.2%		31.5%
Operating income	159.2	(0.2)	159.4
% of revenue	9.7%		9.7%

	Three Months Ended 12/31/02		
	As Reported	Less Pension Income	Without Pension Income
Services Segment			
Total Revenue	\$1,186.9		\$1,186.9
Gross Profit	267.0	14.3	252.7
% of revenue	22.5%		21.3%
Operating income	84.5	21.7	62.8
% of revenue	7.1%		5.3%
Technology Segment			
Total Revenue	\$464.8		\$464.8
Gross Profit	231.4	2.5	228.9
% of revenue	49.8%		49.2%
Operating income	73.1	13.2	59.9
% of revenue	15.7%		12.9%
Total Company			
Total Revenue	\$1,552.8		\$1,552.8
Gross Profit	491.7	16.8	474.9
% of revenue	31.7%		30.6%
Operating income	151.2	34.9	116.3
% of revenue	9.7%		7.5%

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

	Year Ended 12/31/03		
	As Reported	Less Pension Income	Without Pension Income
	-----	-----	-----
Services Segment			
Total Revenue	\$4,717.8		\$4,717.8
Gross Profit	955.3	(4.7)	960.0
% of revenue	20.2%		20.3%
Operating income	236.2	4.6	231.6
% of revenue	5.0%		4.9%
Technology Segment			
Total Revenue	\$1,513.2		\$1,513.2
Gross Profit	763.4	3.4	760.0
% of revenue	50.4%		50.2%
Operating income	192.1	18.0	174.1
% of revenue	12.7%		11.5%
Total Company			
Total Revenue	\$5,911.2		\$5,911.2
Gross Profit	1,715.0	(1.3)	1,716.3
% of revenue	29.0%		29.0%
Operating income	427.7	22.6	405.1
% of revenue	7.2%		6.9%

	Year Ended 12/31/02		
	As Reported	Less Pension Income	Without Pension Income
	-----	-----	-----
Services Segment			
Total Revenue	\$4,323.9		\$4,323.9
Gross Profit	957.9	63.4	894.5
% of revenue	22.2%		20.7%
Operating income	256.0	92.3	163.7
% of revenue	5.9%		3.8%
Technology Segment			
Total Revenue	\$1,615.4		\$1,615.4
Gross Profit	752.0	9.6	742.4
% of revenue	46.5%		46.0%
Operating income	188.6	51.2	137.4
% of revenue	11.7%		8.5%
Total Company			
Total Revenue	\$5,607.4		\$5,607.4
Gross Profit	1,688.5	73.0	1,615.5
% of revenue	30.1%		28.8%
Operating income	423.2	143.5	279.7
% of revenue	7.5%		5.0%

UNISYS CORPORATION
RECONCILIATION OF GAAP FINANCIAL MEASURES
TO NON-GAAP FINANCIAL MEASURES
(in millions of dollars)

Free cash flow is computed as follows:

	Year Ended 12/31/2003 -----
Net cash provided by operating activities	529.2
Less: capital expenditures	(395.4) -----
Free cash flow	133.8 =====

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

	Three Months Ending 3/31/2004	Year Ending 12/31/2004
	-----	-----
Diluted earnings per share- on a GAAP basis	.07-.09	.66-.70
Add back estimated pension expense, net of tax	0.04	0.17
	-----	-----
Diluted earnings per share- on a NON-GAAP basis (excluding pension expense)	.11-.13	.83-.87
	=====	=====

NOTE: See section in press release entitled
"Forward-Looking Statements".