

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of Earliest Event Reported) February 1, 2011

UNISYS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

1-8729

38-0387840

(State or Other  
Jurisdiction of  
Incorporation)

(Commission File Number)

(IRS Employer  
Identification No.)

801 Lakeview Drive, Suite 100  
Blue Bell, Pennsylvania 19422

(Address of Principal Executive Offices) (Zip Code)

(215) 986-4011

(Registrant's telephone number, including area code)

N/A

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

Item 2.02. Results of Operations and Financial Condition.

On February 1, 2011, Unisys Corporation issued a news release to report its financial results for the quarter and year ended December 31, 2010. The release is furnished as Exhibit 99 to this Current Report.

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

Item 9.01. Financial Statements and Exhibits.

(d) The following exhibit is being furnished herewith:

99 News Release, dated February 1, 2011, of Unisys Corporation

SIGNATURE

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

UNISYS CORPORATION

Date: February 1, 2011

By: /s/ Janet B. Haugen

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Janet B. Haugen  
Senior Vice President and  
Chief Financial Officer

EXHIBIT INDEX

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Exhibit  
No.

- - - - -

99 News Release, dated February 1, 2011, of Unisys Corporation

Investor Contact:

Niels Christensen, 215-986-6651  
Niels.Christensen@unisys.com

Media Contact:

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

UNISYS ANNOUNCES FOURTH-QUARTER AND FULL-YEAR 2010 FINANCIAL RESULTS; COMPANY REPORTS STRONG MARGINS AND CASH FLOW; FURTHER BALANCE SHEET IMPROVEMENT

CONTINUED PROGRESS IN RESHAPING THE COMPANY'S BUSINESS MODEL FOR PROFITABLE GROWTH:

- \* Reported pre-tax income from continuing operations of \$103 million in 4Q10 and \$223 million for the full year on lower revenue
- \* Increased operating profit margin to 12.9 percent in 4Q10 and 9.3 percent for the full year
- \* Achieved 4Q10 services operating profit margin of 8.0 percent -- second consecutive quarter within targeted range of 8 - 10 percent
- \* Generated free cash flow of \$146 million in 4Q10; year-end 2010 cash balance of \$828 million exceeds year-end debt of \$824 million
- \* Technology revenue flat at \$562 million for the full year compared to declines in prior years; 5 percent growth in ClearPath sales for the full year
- \* Grew IT outsourcing revenue outside the US federal business by 4 percent in 4Q10 and 6 percent for the full year

BLUE BELL, Pa., February 1, 2011 - Unisys Corporation (NYSE: UIS) today reported fourth-quarter 2010 net income of \$99.2 million, or \$2.29 per diluted share, compared with net income of \$114.5 million, or \$2.64 per diluted share, in the fourth quarter of 2009. Unisys reported fourth-quarter 2010 income from continuing operations before income taxes of \$103.2 million compared with \$98.0 million in the fourth quarter of 2009. After taxes, Unisys reported fourth-quarter 2010 net income from continuing operations of \$95.2 million, or \$2.20 per diluted share, compared with \$113.7 million, or \$2.62 per diluted share in the fourth quarter of 2009. Revenue declined 10 percent to \$1.04 billion compared with \$1.16 billion in the year-ago quarter, with about two percentage points of the revenue decline attributable to divested businesses. Foreign currency fluctuations had a two percentage-point negative impact on revenue in the quarter.

For the full year of 2010, Unisys reported net income of \$236.1 million, or \$5.45 per diluted share, compared with full-year 2009 net income of \$189.3 million, or \$4.75 per diluted share. The company reported full-year 2010 income from continuing operations before income taxes of \$222.9 million compared with \$218.2 million in the fourth quarter of 2009. After taxes, Unisys reported full-year 2010 net income from continuing operations of \$158.9 million, or \$3.67 per diluted share, compared with \$172.2 million, or \$4.32 per diluted share, for full-year 2009. Revenue in 2010 declined 8 percent to \$4.02 billion compared with revenue of \$4.39 billion in 2009, with about two percentage points of the decline attributable to divested operations. Foreign currency fluctuations had an approximately one percentage-point positive impact on revenue for the full year.

"I am pleased with the improvements we have made and the achievement of key milestones," said Unisys Chairman and CEO Ed Coleman. "We reported a fourth-quarter operating margin of 12.9 percent, our highest of the year. For the second consecutive quarter, we achieved a services operating profit margin within our targeted business model range of 8 to 10 percent. Our technology business also had a good quarter. For the full year, we grew overall operating profit by 14 percent. Our continued focus on generating free cash flow resulted in a major accomplishment as we ended the year with a cash balance that exceeded our outstanding debt.

"While total revenue declined as we reshape our business model, we made progress towards our previously announced longer-term revenue goals. Outside of the U.S. federal market, our IT outsourcing revenue grew each quarter in 2010 and 6 percent for the full year. We grew sales of ClearPath servers by 5 percent in 2010 while our overall technology revenue was flat.

"With a growing reputation for service excellence, new technological innovations like secure partitioning for the Intel Xeon platform, and the work we have done to focus, strengthen and differentiate our solutions, we believe Unisys is well

positioned to help clients deal with the disruptive trends associated with cloud computing, cybersecurity, mobile computing, social computing, smart computing and IT appliance offerings," Coleman said.

Unisys reported a fourth-quarter gross profit margin of 29.8 percent, up from 29.4 percent a year ago. Operating expenses (selling, general and administrative expenses plus research and development) declined 14 percent from the year-ago quarter. Reflecting the improved gross margin and the reduction in operating expenses, the fourth-quarter operating profit margin increased to 12.9 percent from 11.6 percent a year ago.

#### BUSINESS SEGMENT RESULTS

Fourth-quarter 2010 services customer revenue declined 11 percent from the prior-year quarter, with approximately two percentage points of the decline attributable to divested businesses. Reflecting improved cost efficiencies in delivery, services gross profit margin improved to 21.9 percent compared with 19.4 percent a year ago. Services operating profit margin increased to 8.0 percent compared with 7.2 percent a year ago.

Services backlog at December 31, 2010 was \$5.8 billion, down from \$5.9 billion at December 31, 2009 and flat compared with \$5.8 billion of services backlog at September 30, 2010. Fourth-quarter services orders were flat sequentially and declined year over year primarily due to lower orders in North America, including orders from the U.S. federal government.

Fourth-quarter 2010 technology customer revenue declined 4 percent from the prior-year quarter. For the full year, technology revenue was flat compared to 2009, as growth in ClearPath server sales offset 2009 revenue from divested businesses. The company reported a fourth-quarter 2010 technology gross profit margin of 56.6 percent and an operating profit margin of 30.5 percent, down from a gross profit margin of 61.0 percent and operating profit margin of 31.5 percent in the year-ago quarter.

#### CASH FLOW AND BALANCE SHEET HIGHLIGHTS

Unisys generated \$187 million of cash from operations in the fourth quarter of 2010 compared with \$215 million in the fourth quarter of 2009. Capital expenditures in the fourth quarter of 2010 declined to \$41 million compared with \$52 million in the year-ago quarter. The company generated \$146 million of free cash flow (cash from operations less capital expenditures) in the fourth quarter of 2010 compared with free cash flow of \$163 million in the fourth quarter of 2009.

Unisys generated \$337 million of cash from operations for the full year. During 2010, Unisys reduced the usage of its accounts receivable securitization facility by \$100 million, the net impact of which was to reduce cash from operations by \$100 million. In 2009, the company generated \$397 million of cash from operations, which included a \$41 million reduction in the usage of its accounts receivable securitization facility. Capital expenditures for full-year 2010 were \$203 million compared with \$201 million in 2009. Including the impact of the reductions in the use of its accounts receivable securitization facility, the company generated \$134 million of free cash flow in 2010 compared to \$196 million in 2009.

At December 31, 2010, Unisys reported a cash balance of \$828 million, up from \$648 million at December 31, 2009. Total debt at December 31, 2010 was \$824 million, a reduction of \$88 million from December 31, 2009.

#### CONFERENCE CALL

Unisys will hold a conference call today at 5:30 p.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](http://www.unisys.com/investor). Following the call, an audio replay of the Webcast, and accompanying presentation materials, can be accessed through the same link.

#### CONSTANT CURRENCY

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

#### ABOUT UNISYS

Unisys is a worldwide information technology company. We provide a portfolio of IT services, software, and technology that solves critical problems for clients. We specialize in helping clients secure their operations, increase the

efficiency and utilization of their data centers, enhance support to their end users and constituents, and modernize their enterprise applications. To provide these services and solutions, we bring together offerings and capabilities in outsourcing services, systems integration and consulting services, infrastructure services, maintenance services, and high-end server technology. With approximately 23,000 employees, Unisys serves commercial organizations and government agencies throughout the world. For more information, visit [www.unisys.com](http://www.unisys.com).

FORWARD-LOOKING STATEMENTS

Any statements contained in this release that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, any projections of earnings, revenues, or other financial items; any statements of the company's plans, strategies or objectives for future operations; statements regarding future economic conditions or performance; and any statements of belief or expectation. All forward-looking statements rely on assumptions and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Risks and uncertainties that could affect the company's future results include the adverse effects of global economic conditions; the company's significant pension obligations and potential requirements to make significant cash contributions to its defined benefit pension plans; the success of the company's program to reduce costs, focus its global resources and simplify its business structure; the potential adverse effects of aggressive competition in the information services and technology marketplace; the company's ability to effectively anticipate and respond to volatility and rapid technological change in its industry; the company's ability to retain significant clients; the company's ability to take on, successfully implement and grow outsourcing operations; the company's ability to drive profitable growth in consulting and systems integration; market demand for the company's high-end enterprise servers and maintenance on those servers; the risk that the company's contracts may not be as profitable as expected or provide the expected level of revenues and that contracts with U.S. governmental agencies may subject it to audits, criminal penalties, sanctions and other expenses and fines; the risk that the company may face damage to its reputation or legal liability if its clients are not satisfied with its services or products; the performance and capabilities of third parties with whom the company has commercial relationships; the risks of doing business internationally when more than half of the company's revenue is derived from international operations; the company's ability to access capital and credit markets to address its liquidity needs; the business and financial risk in implementing future dispositions or acquisitions; the potential for infringement claims to be asserted against the company or its clients; the possibility that pending litigation could affect the company's results of operations or cash flow; and the company's consideration of all available information following the end of the year and before the filing of the Form 10-K and the possible impact of this subsequent event information on its financial statements for the reporting period. Additional discussion of factors that could affect the company's future results is contained in its periodic filings with the Securities and Exchange Commission. Unisys assumes no obligation to update any forward-looking statements.

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RELEASE NO.: 0201/9017

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

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

Three Months		Year	
Ended December 31		Ended December 31	
2010	2009 *	2010	2009 *
-----	-----	-----	-----
-----	-----	-----	-----

Revenue

Services	\$859.7	\$966.2	\$3,457.4	\$3,824.9
Technology	184.9	192.4	562.2	560.8
	-----	-----	-----	-----
	1,044.6	1,158.6	4,019.6	4,385.7
Costs and expenses				
Cost of revenue:				
Services	661.3	758.9	2,731.8	3,026.1
Technology	72.2	59.6	216.1	246.6
	-----	-----	-----	-----
	733.5	818.5	2,947.9	3,272.7
Selling, general and administrative	158.4	180.9	617.1	681.1
Research and development	18.1	25.1	78.9	101.9
	-----	-----	-----	-----
	910.0	1,024.5	3,643.9	4,055.7
Operating profit	134.6	134.1	375.7	330.0
Interest expense	25.0	26.8	101.8	95.2
Other income (expense), net	(6.4)	(9.3)	(51.0)	(16.6)
	-----	-----	-----	-----
Income from continuing operations before income taxes	103.2	98.0	222.9	218.2
Provision (benefit) for income taxes	6.1	(12.6)	58.8	42.3
	-----	-----	-----	-----
Consolidated net income from continuing operations	97.1	110.6	164.1	175.9
Net (income) loss attributable to noncontrolling interests	(1.9)	3.1	(5.2)	(3.7)
	-----	-----	-----	-----
Net income from continuing operations attributable to Unisys Corporation	95.2	113.7	158.9	172.2
Income from discontinued operations, net of taxes	4.0	0.8	77.2	17.1
	-----	-----	-----	-----
Net income attributable to Unisys Corporation	\$99.2	\$114.5	\$236.1	\$189.3
	=====	=====	=====	=====
Earnings per share attributable to Unisys Corporation				
Basic				
Continuing operations	\$ 2.24	\$ 2.69	\$ 3.74	\$ 4.38
Discontinued operations	.09	.02	1.81	.44
	-----	-----	-----	-----
Total	\$ 2.33	\$ 2.71	\$ 5.55	\$ 4.82
	=====	=====	=====	=====
Diluted				
Continuing operations	\$ 2.20	\$ 2.62	\$ 3.67	\$ 4.32
Discontinued operations	.09	.02	1.78	.43
	-----	-----	-----	-----
Total	\$ 2.29	\$ 2.64	\$ 5.45	\$ 4.75
	=====	=====	=====	=====
Shares used in the per share computations (thousands):				
Basic	42,642	42,285	42,562	39,241
Diluted	43,326	43,307	43,333	39,834

\* Reclassified for discontinued operations



UNISYS CORPORATION  
SEGMENT RESULTS  
(Unaudited)  
(Millions)

	Total	Elimi- nations	Services	Technology
	-----	-----	-----	-----
Three Months Ended December 31, 2010 -----				
Customer revenue Intersegment	\$1,044.6	(\$31.7)	\$859.7 2.3	\$184.9 29.4
	-----	-----	-----	-----
Total revenue	\$1,044.6	(\$31.7)	\$862.0	\$214.3
	=====	=====	=====	=====
Gross profit percent	29.8%		21.9%	56.6%
	=====		=====	=====
Operating profit percent	12.9%		8.0%	30.5%
	=====		=====	=====
Three Months Ended December 31, 2009 * -----				
Customer revenue Intersegment	\$1,158.6	(\$52.4)	\$966.2 1.9	\$192.4 50.5
	-----	-----	-----	-----
Total revenue	\$1,158.6	(\$52.4)	\$968.1	\$242.9
	=====	=====	=====	=====
Gross profit percent	29.4%		19.4%	61.0%
	=====		=====	=====
Operating profit percent	11.6%		7.2%	31.5%
	=====		=====	=====
Year Ended December 31, 2010 -----				
Customer revenue Intersegment	\$4,019.6	(\$116.6)	\$3,457.4 5.9	\$562.2 110.7
	-----	-----	-----	-----
Total revenue	\$4,019.6	(\$116.6)	\$3,463.3	\$672.9
	=====	=====	=====	=====
Gross profit percent	26.7%		20.1%	55.1%
	=====		=====	=====
Operating profit percent	9.3%		6.7%	21.6%
	=====		=====	=====
Year Ended December 31, 2009 * -----				
Customer revenue Intersegment	\$4,385.7	(\$170.8)	\$3,824.9 6.9	\$560.8 163.9
	-----	-----	-----	-----
Total revenue	\$4,385.7	(\$170.8)	\$3,831.8	\$724.7
	=====	=====	=====	=====
Gross profit percent	25.4%		19.2%	49.6%
	=====		=====	=====
Operating profit percent	7.5%		6.2%	12.4%
	=====		=====	=====

\* Reclassified for discontinued operations

UNISYS CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(Unaudited)  
(Millions)

	December 31, 2010	December 31, 2009 *
	-----	-----
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$828.3	\$647.6
Accounts and notes receivable, net	789.7	767.4
Inventories		
Parts and finished equipment	44.8	57.5
Work in process and materials	44.1	43.0
Deferred income taxes	40.7	19.9
Prepaid expense and other current assets	127.8	139.2
Assets of discontinued operations	-	98.8
	-----	-----
<b>Total</b>	<b>1,875.4</b>	<b>1,773.4</b>
	-----	-----
Properties	1,339.0	1,365.8
Less accumulated depreciation and amortization	1,119.3	1,140.1
	-----	-----
Properties, net	219.7	225.7
	-----	-----
Outsourcing assets, net	162.3	213.7
Marketable software, net	143.8	151.5
Prepaid postretirement assets	31.2	-
Deferred income taxes	179.6	180.6
Goodwill	197.9	198.5
Other long-term assets	211.0	213.5
	-----	-----
<b>Total</b>	<b>\$3,020.9</b>	<b>\$2,956.9</b>
	=====	=====
<b>Liabilities and stockholders' deficit</b>		
Current liabilities		
Current maturities of long-term debt	\$0.8	\$65.8
Accounts payable	260.7	292.2
Deferred revenue	556.3	439.1
Other accrued liabilities	518.9	566.0
Liabilities of discontinued operations	-	87.1
	-----	-----
<b>Total</b>	<b>1,336.7</b>	<b>1,450.2</b>
	-----	-----
Long-term debt	823.2	845.9
Long-term postretirement liabilities	1,509.2	1,640.6
Long-term deferred revenue	149.4	149.2
Other long-term liabilities	136.2	142.7
Commitments and contingencies		
Total stockholders' deficit	(933.8)	(1,271.7)
	-----	-----
<b>Total</b>	<b>\$3,020.9</b>	<b>\$2,956.9</b>
	=====	=====

\* Reclassified for discontinued operations

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

	Year Ended December 31	
	2010	2009
<hr style="border-top: 1px dashed black;"/>		
Cash flows from operating activities		
Consolidated net income from continuing operations	\$164.1	\$175.9
Income from discontinued operations, net of taxes	77.2	17.1
Add (deduct) items to reconcile consolidated net income to net cash provided by operating activities:		
Foreign currency transaction loss	19.9	-
Employee stock compensation	9.4	.7
Depreciation and amortization of properties	75.8	96.9
Depreciation and amortization of outsourcing assets	111.9	151.0
Amortization of marketable software	62.9	104.6
Disposals of capital assets	9.8	10.8
(Gain) loss on sale of businesses and assets	(65.5)	8.8
Loss on extinguishment of debt	2.1	-
Increase in deferred income taxes, net	(34.4)	(87.9)
(Increase) decrease in receivables, net	(31.9)	62.1
Decrease in inventories	12.4	14.0
Increase (decrease) in accounts payable and other accrued liabilities	56.5	(70.7)
(Decrease) increase in other liabilities	(38.4)	37.3
Increase in other assets	(94.2)	(121.9)
Other	(.8)	(1.9)
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Net cash provided by operating activities	336.8	396.8
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Cash flows from investing activities		
Proceeds from investments	417.4	404.1
Purchases of investments	(416.5)	(402.8)
Restricted deposits	23.4	(86.8)
Investment in marketable software	(55.8)	(57.6)
Capital additions of properties	(64.1)	(45.9)
Capital additions of outsourcing assets	(83.2)	(97.8)
Net proceeds from sale (purchases) of businesses and assets	117.2	15.5
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Net cash used for investing activities	(61.6)	(271.3)
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Cash flows from financing activities		
Proceeds from exercise of stock options	1.4	-
Payments of long-term debt	(92.8)	(30.0)
Financing fees	(.1)	(16.1)
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Net cash used for financing activities	(91.5)	(46.1)
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Effect of exchange rate changes on cash and cash equivalents	(3.0)	24.2
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Increase in cash and cash equivalents	180.7	103.6
Cash and cash equivalents, beginning of period	647.6	544.0
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Cash and cash equivalents, end of period	\$828.3	\$647.6
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	=====	=====