

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) December 14, 2001

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 5. Other Events.

Pursuant to the terms and conditions of the Terms Agreement between Unisys Corporation (the "Company") and Salomon Smith Barney Inc., Banc of America Securities LLC, BNY Capital Markets, Inc., Deutsch Banc Alex. Brown Inc., First Union Securities, Inc., Fleet Securities, Inc., HSBC Securities (USA) Inc., PNC Capital Markets, Inc., and The Royal Bank of Scotland plc dated December 14, 2001, the Company issued on December 19, 2001, its 7 1/4% Senior Notes due 2005 in an aggregate principal amount of \$150,000,000.

Item 7. Exhibits.

See Exhibit Index.

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: December 19, 2001

By: /s/ Janet Brutschea Haugen

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Janet Brutschea Haugen  
Senior Vice President and  
Chief Financial Officer

EXHIBIT INDEX

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Exhibit  
No.

- 1 Terms Agreement, dated December 14, 2001, between Unisys Corporation and Salomon Smith Barney Inc., Banc of America Securities LLC, BNY Capital Markets, Inc., Deutsche Banc Alex. Brown Inc., First Union Securities, Inc., Fleet Securities, Inc., HSBC Securities (USA) Inc., PNC Capital Markets, Inc., and The Royal Bank of Scotland plc
- 4.1 Form of Indenture, dated as of May 1, 2001 between Unisys Corporation and HSBC Bank USA (previously filed as Exhibit 4.1 to the registrant's Current Report on Form 8-K dated May 10, 2001)
- 4.2 Form of 7 1/4% Senior Note due 2005

UNISYS CORPORATION  
("Company")  
Debt Securities  
TERMS AGREEMENT

December 14, 2001

Unisys Corporation  
Unisys Way  
Blue Bell, Pennsylvania 19424  
Attention: Vice President and Treasurer

Dear Sirs:

On behalf of the several Underwriters named in Schedule A hereto (the "Underwriters") and for their respective accounts, Salomon Smith Barney, Inc. ("Salomon Smith Barney") offers to purchase, on and subject to the terms and conditions of the Underwriting Agreement Basic Provisions filed as an exhibit to the Company's registration statement on Form S-3 (No. 333-51885), Post-Effective Amendment No. 1 to Registration Statement on Form S-3 (No. 333-20373) and Post-Effective Amendment No. 1 to Registration Statement on Form S-3 (No. 33-25715) ("Underwriting Agreement"), the following securities ("Securities") to be issued under an indenture, dated May 1, 2001, between the Company and HSBC Bank USA, as Trustee, on the following terms:

Title: 7-1/4% Senior Notes Due 2005

Principal Amount: \$150,000,000

Interest: 7-1/4% per annum, payable semiannually on January 15 and July 15, commencing July 15, 2002, to holders of record on the preceding January 1 or July 1, as the case may be.

Maturity: January 15, 2005

Optional Redemption: None

Sinking Fund: None

Delayed Delivery contracts: None

Purchase Price: 97.833% of principal amount, plus accrued interest, if any, from December 19, 2001.

Expected Reoffering Price: 97.981% of principal amount, plus accrued interest, if any, from December 19, 2001, subject to change by the undersigned.

Closing Date: 10:00 a.m. on December 19, 2001, at the offices of Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017.

Settlement: Federal (same-day) funds.

Names and Address of Salomon Smith Barney:

Salomon Smith Barney Inc.  
388 Greenwich Street  
New York, New York 10013

The respective principal amounts of the Securities to be purchased by each of the Underwriters are set forth opposite their names in Schedule A hereto.

The provisions of the Underwriting Agreement are incorporated herein by reference.

The Securities will be made available for checking and packaging at the office of Simpson Thacher & Bartlett at least 24 hours prior to the Closing Date.

Please signify your acceptance of our offer by signing the enclosed response in the space provided and returning it to us.

Very truly yours,

SALOMON SMITH BARNEY INC.,  
on behalf of itself and the other Underwriters

By: /s/ Kevin M. Sisson

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Name: Kevin M. Sisson  
Title: Vice President

To: Salomon Smith Barney Inc.

We accept the offer contained in your letter, dated December 14, 2001, relating to \$150,000,000 principal amount of our 7-1/4% Senior Notes Due 2005. We also confirm that, to the best of our knowledge after reasonable investigation, the representations and warranties of the undersigned in the Underwriting Agreement filed as an exhibit to the undersigned's registration statement on Form S-3 (No. 333-51885), Post-Effective Amendment No. 1 to Registration Statement on Form S-3 (No. 333-20373) and Post-Effective Amendment No. 1 to Registration Statement on Form S-3 (No. 33-25715) ("Underwriting Agreement") are true and correct, no stop order suspending the effectiveness of the Registration Statement (as defined in the Underwriting Agreement) or of any part thereof has been issued and no proceedings for that purpose have been instituted or, to the knowledge of the undersigned, are contemplated by the Securities and Exchange Commission and, subsequent to the respective dates of the most recent financial statements in the Prospectus (as defined in the Underwriting Agreement), there has been (or in the case of a form of prospectus filed pursuant to Rule 424(b)(1) or (4) there will be, as of the date of such prospectus) no material adverse change in the financial position or results of operations of the undersigned and its subsidiaries except as set forth in or contemplated by the Prospectus.

Very truly yours,

UNISYS CORPORATION

By: Scott A. Battersby

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Name: Scot A. Battersby  
Title: Vice President and Treasurer

SCHEDULE A

Underwriters	Principal Amount of 7-1/4% Senior Notes to be Purchased
Salomon Smith Barney Inc.	\$75,000,000
Banc of America Securities LLC	22,500,000
BNY Capital Markets, Inc.	7,500,000
Deutsche Banc Alex. Brown Inc.	7,500,000
First Union Securities, Inc.	7,500,000
Fleet Securities, Inc.	7,500,000
HSBC Securities (USA) Inc.	7,500,000
PNC Capital Markets, Inc.	7,500,000
The Royal Bank of Scotland plc	7,500,000
Total	----- \$150,000,000 =====

UNISYS CORPORATION  
7 1/4% Senior Notes due 2005

REGISTERED

No. R-1  
CUSIP 909214BG2

If this Note is registered in the name of The Depository Trust Company, a New York corporation ("DTC"), or its nominee, this Note may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor depository or a nominee of such successor depository, unless and until this Note is exchanged in whole or in part for Notes in definitive form. Unless this certificate is presented by an authorized representative of DTC to the Company or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNISYS CORPORATION, a corporation duly organized and validly existing under the laws of the State of Delaware (herein called the "Company", which term includes any successor corporation under the Indenture, as hereinafter defined), for value received hereby promises to pay to CEDE & CO., or registered assigns, the principal sum of \$150,000,000 (ONE HUNDRED FIFTY MILLION DOLLARS) on January 15, 2005 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest, semi-annually on January 15 and July 15 of each year, commencing July 15, 2002, on said principal sum in like coin or currency, at the rate per annum specified in the title of this Note, from the January 15 or July 15, as the case may be, next preceding the date of this Note to which interest has been paid or duly provided for, unless the date hereof is a date to which interest has been paid or duly provided for, in which case from the date of this Note, or unless no interest has been paid or duly provided for on the Notes, in which case from December 19, 2001, until payment of said principal sum has been made or duly provided for. Notwithstanding the foregoing, if the date hereof is after any January 1 or July 1, as the case may be, and before the following January 15 or July 15, this Note shall bear interest from such January 15 or July 15; provided, however, that if the Company shall default in the payment of interest due on such January 15 or July 15 then this Note shall bear interest from the next preceding January 15 or July 15 to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for on the Notes, from December 19, 2001. The interest so payable on January 15 or July 15 will be paid to the person in whose name this Note (or one or more predecessor securities) is registered at the close of business on the applicable record date, which shall be the January 1 or July 1 (whether or not a business day) next preceding such January 15 or July 15, provided that any such interest not punctually paid or duly provided for shall be payable as provided in the Indenture.

Payment of the principal of, and premium, if any, on, this Note will be made in immediately available funds upon surrender of the Notes at the corporate trust office of the Trustee. Interest will be paid by check mailed to the address of the person entitled thereto as it appears in the register for the Notes on the applicable record date or, at the option of the Company, by wire transfer to a bank account maintained by such person.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH HEREIN. SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

THIS NOTE SHALL BE DEEMED A CONTRACT UNDER THE LAWS OF THE STATE OF NEW YORK, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID STATE.

Unless the certificate of authentication hereon has been executed by the Trustee referred to herein by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any

purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: December 19, 2001  
UNISYS CORPORATION

By: \_\_\_\_\_  
Name: Janet Brutschea Haugen  
Title: Senior Vice President and  
Chief Financial Officer

TRUSTEE'S CERTIFICATE OF  
AUTHENTICATION

This one of the Securities  
of the series designated herein  
and referred to in the  
within-mentioned Indenture.

HSBC BANK USA,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

UNISYS CORPORATION  
7 1/4% Senior Notes due 2005

This Note is one of a duly authorized issue of Securities of the Company designated as its 7 1/4% Senior Notes due 2005 (herein called the "Notes"), issued under an Indenture dated as of May 1, 2001 (the "Indenture") between the Company and HSBC Bank USA, as trustee (herein called the "Trustee", which term includes any successor trustee under such Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, obligations, duties and immunities thereunder of the Company, the Trustee and the holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered.

If an Event of Default as defined in the Indenture shall have occurred and be continuing, the principal of and accrued interest on the Notes of this series may be declared and upon such declaration shall become due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than 66-2/3% in the principal amount of the Securities at the time outstanding of all series affected by such supplemental indenture (voting as one class), evidenced as provided in the Indenture, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or modifying in any manner the rights of the holders of the Securities of each such series; provided, however, that no such supplemental indenture shall (i) extend the final maturity of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any amount payable on redemption thereof, or make the principal thereof or interest or premium, if any, thereon payable in any coin or currency other than that provided in the Notes, or

impair or affect the right of the holder of any Note to institute suit for the payment thereof, or (ii) reduce the aforesaid percentage of Securities of any such series, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of each Security so affected. It is also provided in the Indenture that, prior to any declaration accelerating the maturity of the Notes, the holders of a majority in aggregate principal amount of the Notes at the time outstanding may on behalf of the holders of all of the Notes waive any past default or Event of Default under the Indenture and its consequences, except a default in the payment of interest or any premium on or the principal of any of the Notes. Any such consent or waiver by the holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Note and any Notes which may be issued in exchange or substitution therefor, irrespective of whether or not any notation thereof is made upon this Note or such other Notes.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligations of the Company, which are absolute and unconditional, to pay the principal of and any premium and interest on this Note at the place, at the respective times, at the rate and in the coin or currency herein prescribed.

Interest on the Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

The provisions of the Indenture providing for defeasance of (i) the entire indebtedness of this Note and (ii) certain restrictive covenants are applicable to the Note.

As set forth in, and subject to, the provisions of the Indenture, no holder of any Note will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless (i) such holder shall have previously given to the Trustee written notice of a continuing Event of Default with respect to this series, (ii) the holders of not less than 25% in principal amount of the Notes then outstanding shall have made written request to the Trustee to institute such proceeding in respect of such Event of Default in its own name as Trustee under the Indenture, (iii) such holders shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, (iv) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceeding and (v) the Trustee shall not have received from the holders of a majority in principal amount of the Notes then outstanding direction inconsistent with such request within such 60-day period; provided, however, that such limitations do not apply to a suit instituted by the holder of a Note for the enforcement of payment of the principal of, premium, if any, or interest on the Note after the respective due date expressed herein.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the register for the Notes, upon due presentation of this Note for registration of transfer at the office or agency of the Company in any place where the principal of, and premium, if any, on this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the holder of the Note or his attorney duly authorized in writing, and thereupon one or more new Notes of this series of like tenor or authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The Notes of this series are issuable only in registered form without coupons in denominations of \$1,000 or any integral multiple thereof. As provided in the Indenture and subject to certain limitations set forth therein, Notes of this series are exchangeable for like aggregate principal amount of Notes of like tenor of a different authorized denomination, as requested by the holder of the Notes surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the person in whose name this Note is registered as the absolute owner of the Note for all purposes, whether or not this Note be overdue, and none of the Company, the Trustee or any such agent shall be affected by notice to the

contrary.

Terms used in this Note and defined in the Indenture are used herein as therein defined.

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ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

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(Insert assignee's Social Security or Tax I.D. No.)  
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-----  
(Print or type assignee's name and zip code)

and irrevocably appoint -----  
agent to transfer this Note on the books of the Company.

The agent may substitute another to act for him.

Date: