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 March 31, 2001.

[ ] 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 March 31, 2001: 316,696,470.

Part I - FINANCIAL INFORMATION
Item 1. Financial Statements.

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEET (UNAUDITED)
(Millions)

	March 31, 2001	December 31, 2000
Assets		
Current assets		
Cash and cash equivalents	$ 326.0	$ 378.0
Accounts and notes receivable, net	1,140.6	1,247.4
Inventories		
Parts and finished equipment	242.5	249.4
Work in process and materials	197.7	176.1
Deferred income taxes	462.7	460.6
Other current assets	102.6	75.5
Total	2,472.1	2,587.0
Properties	1,576.1	1,584.1

Less-Accumulated depreciation	958.6	963.9
Properties, net	617.5	620.2
Investments at equity	225.8	225.8
Software, net of accumulated amortization	301.1	296.7
Prepaid pension cost	1,112.5	1,063.0
Deferred income taxes	583.6	583.6
Other assets	436.6	341.4
Total	$5,749.2	$5,717.7
Liabilities and stockholders' equity		
Current liabilities		
Notes payable	$ 180.1	$ 209.5
Current maturities of long-term debt	15.7	16.8
Accounts payable	655.5	847.7
Other accrued liabilities	1,287.5	1,323.5
Income taxes payable	299.4	288.3
Total	2,438.2	2,685.8
Long-term debt	535.8	536.3
Other liabilities	498.7	309.5
Stockholders' equity		
Common stock, shares issued: 2001, 318.6; 2000,317.3	3.2	3.2
Accumulated deficit	(760.1)	(829.4)
Other capital	3,671.0	3,656.0
Accumulated other comprehensive loss	(637.6)	(643.7)
Stockholders' equity	2,276.5	2,186.1
Total	$5,749.2	$5,717.7

See notes to consolidated financial statements.

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

	Three Months Ended March 31	
	2001	2000
Revenue	$1,623.8	$1,668.7
Costs and expenses		
Cost of revenue	1,196.2	1,129.4
Selling, general and administrative	245.3	281.5
Research and development expenses	76.0	82.1
	1,517.5	1,493.0
Operating income	106.3	175.7
Interest expense	15.9	20.5
Other income (expense), net	13.0	6.2
Income before income taxes	103.4	161.4
Provision for income taxes	34.1	54.9
Net income	$ 69.3	$ 106.5
Earnings per share		
Basic	$ .22	$ .34
Diluted	$ .22	$ .34

See notes to consolidated financial statements.

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

	Three Months Ended March 31	
	2001	2000
Cash flows from operating activities		
Net income	$ 69.3	$ 106.5
Add(deduct) items to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation	35.1	37.8
Amortization:		
Marketable software	30.4	29.2
Goodwill	1.9	2.4
(Increase) in deferred income taxes, net	(2.0)	(2.9)
Decrease in receivables, net	20.9	72.7
(Increase) in inventories	(14.8)	(4.4)
(Decrease) in accounts payable and other accrued liabilities	(234.2)	(246.1)
Increase in income taxes payable	11.1	6.4
Increase (decrease) in other liabilities	190.4	(.2)
(Increase) in other assets	(89.3)	(46.5)
Other	5.0	2.2
Net cash provided by (used for) operating activities	23.8	(42.9)
Cash flows from investing activities		
Proceeds from investments	420.0	135.7
Purchases of investments	(415.3)	(128.5)
Investment in marketable software	(34.8)	(34.3)
Capital additions of properties	(31.6)	(38.2)
Proceeds from sales of properties		7.8
Purchases of businesses		(3.8)
Net cash (used for) investing activities	(61.7)	(61.3)
Cash flows from financing activities		
Net (reduction in) proceeds from short-term borrowings	(29.5)	25.2
Proceeds from employee stock plans	9.2	17.0
Payments of long-term debt	(.3)	(2.9)
Net cash (used for) provided by financing activities	(20.6)	39.3
Effect of exchange rate changes on cash and cash equivalents	6.5	(1.7)
Decrease in cash and cash equivalents	(52.0)	(66.6)
Cash and cash equivalents, beginning of period	378.0	464.0
Cash and cash equivalents, end of period	$ 326.0	$ 397.4

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 following table shows how earnings per share were computed for the three months ended March 31, 2001 and 2000 (dollars in millions, shares in thousands):

	Three Months Ended March 31,	
	2001	2000
Basic Earnings Per Share		
Net income	$ 69.3	$ 106.5
Weighted average shares	316,309,119	311,160,698
Basic earnings per share	$ .22	$ .34
Diluted Earnings Per Share		
Net income	$ 69.3	$ 106.5
Weighted average shares	316,309,119	311,160,698
Plus incremental shares from assumed conversions of employee stock plans	2,720,156	5,918,972
Adjusted weighted average shares	319,029,275	317,079,670
Diluted earnings per share	$ .22	$ .34

During the three months ended March 31, 2001, 23.8 million shares related to employee stock plans were not included in the computation of diluted earnings per share because to do so would have been antidilutive.

b. Effective January 1, 2001, the company adopted Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities." This statement establishes accounting and reporting standards for derivative instruments and 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. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. The cumulative effect of the change in accounting principle due to the adoption of SFAS NO. 133 resulted in the recognition of income of $3.3 million (net of $1.8 million of tax) in other comprehensive income.

During the three months ended March 31, 2001, the amount recorded in earnings (a) related to cash flow hedge ineffectiveness and (b) as a result of the discontinuance of cash flow hedges because it is probable that the original transactions will not occur by the end of the originally specified period, was immaterial. In assessing hedge effectiveness, the company excludes forward exchange contract points and the change in time value related to purchased foreign currency option contracts.

The company generally enters into cash flow hedge contracts for periods ranging from three months to one year. The amount reported in accumulated other comprehensive income related to cash flow hedges is expected to be reclassified into earnings during the above period of time as the transactions being hedged are recorded.

c. A summary of the company's operations by business segment for the three-month periods ended March 31, 2001 and 2000 is presented below (in millions of dollars):

	Total	Corporate	Services	Technology
Three Months Ended March 31, 2001				
Customer revenue	$1,623.8		$1,175.7	$448.1
Intersegment		$(82.1)	13.3	68.8
Total revenue	$1,623.8	$(82.1)	$1,189.0	$516.9
Operating income(loss)	$ 106.3	$(9.3)	$ 27.1	$ 88.5
Three Months Ended March 31, 2000				
Customer revenue	$1,668.7		$1,125.0	$543.7
Intersegment		$(124.1)	11.0	113.1
Total revenue	$1,668.7	$(124.1)	$1,136.0	$656.8
Operating income(loss)	$ 175.7	$ 13.4	$ 19.1	$143.2

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

	Three Months Ended March 31	
	2001	2000
Total segment operating income	$115.6	$162.3
Interest expense	(15.9)	(20.5)
Other income (expense), net	13.0	6.2
Corporate and eliminations	(9.3)	13.4
Total income before income taxes	$103.4	$161.4

d. Comprehensive income for the three months ended March 31, 2001 and 2000 includes the following components (in millions of dollars):

	2001	2000
Net income	$ 69.3	$106.5
Other comprehensive income (loss)		
Cumulative effect of change in accounting principle (SFAS No. 133), net of tax of $1.8	3.3	
Cash flow hedges		
Income (loss), net tax of $3.7	6.9	
Reclassification adjustments, net of tax of $(1.3)	(2.6)	
Foreign currency translation adjustments, net of tax of $(1.7) and $2.9	(1.5)	2.9
Total other comprehensive income	6.1	2.9
Comprehensive income	$ 75.4	$109.4

Accumulated other comprehensive income (loss) as of December 31, 2000 and March 31, 2001 is as follows (in millions of dollars):

	Total	Translation Adjustments	Cash Flow Hedges
Balance at December 31, 1999	$(570.4)	$(570.4)	$ -
Current-period change	(73.3)	(73.3)	
Balance as December 31, 2000	(643.7)	(643.7)	-
Current-period change	6.1	(1.5)	7.6
Balance at March 31, 2001	$(637.6)	$(645.2)	$ 7.6

e. The amount credited to stockholders' equity for the income tax benefit related to the company's stock plans for the three months ended March 31, 2001 and 2000 was $2.4 million and $3.0 million, respectively. The company expects to realize these tax benefits on future Federal income tax returns.

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

Overview

During 2000, the company took actions to focus its resources on high-growth markets; de-emphasize non-strategic, low-growth and low-margin businesses and products; and reduce its cost structure in line with its more focused business model. As part of these actions, the company de-emphasized low-margin commodity products and explored strategic alternatives for its Federal government business, including divestment. Based on weak market conditions, the company has decided to retain its Federal government unit. The company is taking aggressive actions to position its Federal business for profitable growth by de-emphasizing the sale of commodity hardware, streamlining infrastructure costs and expenses, and better integrating the unit within the overall company business structure.

The following discussion of results of operations compare the results for the first quarter of 2001 with both the as reported and pro forma results for the first quarter of 2000. The pro forma results exclude de-emphasized low-margin commodity hardware. For the three months ended March 31, 2000, financial highlights on an as reported and on a pro forma basis are as follows (in millions of dollars, except per share data):

	Three Months Ended March 31, 2000	
	As Reported	Pro Forma
Revenue	$1,668.7	$1,529.8
Cost of revenue	1,129.4	997.0
Gross profit %	32.3%	34.8%
S,G&A	281.5	274.4
S,G&A as a % of revenue	16.9%	17.9%
Operating income	175.7	178.3
Operating income as a % of revenue	10.5%	11.7%
Net income	106.5	107.4
Diluted earnings per share	.34	.34

Results of Operations

For the three months ended March 31, 2001, the company reported net income of $69.3 million, or $.22 per diluted share, compared to $106.5 million, or $.34 per diluted share, for the three months ended March 31, 2000.

Total revenue for the quarter ended March 31, 2001 was $1.62 billion, down 3% from revenue of $1.67 billion for the quarter ended March 31, 2000. The decrease in revenue was principally due to lower sales of commodity products (discussed above) and enterprise servers and declines in systems integration. Excluding the negative impact of foreign currency translations, revenue in the quarter was up 2% when compared to the year-ago period. When compared to pro forma revenue of $1.53 billion for the first quarter of 2000, revenue for the current quarter increased 6%. However, approximately 4-5 percentage points of revenue growth was attributable to residual commodity hardware sales during the first quarter of 2001.

Total gross profit was 26.3% in the first quarter of 2001 compared to 32.3% in the year-ago period, principally due to a lower mix of higher-margin products and services than in the year-ago quarter.

For the three months ended March 31, 2001, selling, general and administrative expenses were $245.3 million (15.1% of revenue) compared to $281.5 million (16.9% of revenue) for the three months ended March 31, 2000. Research and development expense was $76.0 million compared to $82.1 million a year earlier. The decrease in these expenses reflected the benefits of tight controls placed on discretionary spending during the quarter as well as the benefits of the restructuring actions announced in the fourth quarter of 2000. In both periods, but principally in the year-ago period, selling, general and administrative expense benefited from insurance cost reimbursements.

For the first quarter of 2001, the company reported an operating income percent of 6.5% compared to 10.5% (11.7% on a pro forma basis) for the first quarter of 2000.

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

	Total	Eliminations	Services	Technology
Three Months Ended March 31, 2001				
Customer revenue	$1,623.8		$1,175.7	$448.1
Intersegment		$(82.1)	13.3	68.8
Total revenue	$1,623.8	$(82.1)	$1,189.0	$516.9
Gross profit percent	26.3%		18.2%	43.0%
Operating income percent	6.5%		2.3%	17.1%
Three Months Ended March 31, 2000 - As Reported				
Customer revenue	$1,668.7		$1,125.0	$543.7
Intersegment		$(124.1)	11.0	113.1
Total revenue	$1,668.7	$(124.1)	$1,136.0	$656.8
Gross profit percent	32.3%		21.1%	46.3%
Operating income percent	10.5%		1.7%	21.8%
Three Months Ended March 31, 2000 - Pro Forma				
Customer revenue	$1,529.8		$1,036.3	$493.5
Intersegment		$(116.0)	16.5	99.5
Total revenue	$1,529.8	$(116.0)	$1,052.8	$593.0
Gross profit percent	34.8%		22.4%	51.1%
Operating income percent	11.7%		2.1%	25.0%

In the Services segment, customer revenue was $1.18 billion up 5% from $1.13 billion in the year-ago period, as an increase in network services and outsourcing more than offset declines in systems integration and repeatable solutions, proprietary maintenance and lower sales of commodity products. The gross profit percent declined to 18.2% in the current quarter compared to 21.1% in the prior period, principally reflecting underutilization of services personnel (primarily in systems integration), the startup of large outsourcing contracts, and a lower mix of higher-margin proprietary maintenance revenue in the quarter. Operating income percent increased to 2.3% in the current quarter from 1.7% last year, principally due to a decline in selling, general and administrative expenses. Customer revenue in the Services segment increased 13% in the current quarter from pro forma revenue in the year-ago quarter.

In the Technology segment, customer revenue declined 18% to $448 million in the first quarter of 2001 from $544 million in the prior-year period, principally due to declines in ClearPath enterprise server revenue and lower commodity hardware sales. The gross profit percent was 43.0% in the current quarter compared to 46.3% in the prior period, reflecting the lower mix of higher-margin ClearPath server sales in the quarter. Operating profit in this segment declined to 17.1% in the current quarter from 21.8% in 2000, principally due to the gross profit decline. Customer revenue in the Technology segment declined 9% in the current period from pro forma revenue in the year-ago period.

Interest expense for the three months ended March 31, 2001 was $15.9 million compared to $20.5 million for the three months ended March 31, 2000. The decline was principally due to lower average borrowings.

Other income (expense), net, which can vary from quarter to quarter, was income of $13.0 million in the current quarter compared to $6.2 million in the year-ago quarter. The increase was principally due to foreign exchange gains in the current period compared to losses in the year-ago period.

Income before income taxes was $103.4 million in the first quarter of 2001 compared to $161.4 million last year. The provision for income taxes was $34.1 million in the current period (33% effective rate)compared to $54.9 million in the year-ago period (34% effective rate). The decline in the effective tax rate was principally due to tax planning strategies.

In September 2000, the Financial Accounting Standards Board issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." This statement revises the accounting standards for securitizations and other transfers of financial assets and collateral and requires certain disclosures. This statement is effective for transfers and servicing of financial assets occurring after March 31, 2001. Adoption of SFAS No. 140 will not have a material effect on the company's consolidated financial position, consolidated results of operations, or liquidity.

Financial Condition

Cash and cash equivalents at March 31, 2001 were $326.0 million compared to $378.0 million at December 31, 2000.

During the three months ended March 31, 2001, cash provided by operations was $23.8 million compared to a cash usage of $42.9 million for the three months ended March 31, 2000, principally reflecting an improvement in working capital management, mainly a higher level of advance payments under long-term contracts. Cash expenditures in the current quarter related to prior-year restructuring charges (which are included in operating activities) were $12 million compared to $11 million for the prior-year quarter, and are expected to be approximately $46 million for the remainder of 2001 and $20 million in total for all subsequent years, principally for work-force reductions and facility costs. Personnel reductions in the current quarter related to these restructuring actions were approximately 100 and are expected to be approximately 600 for the remainder of the year.

Cash used for investing activities for the three months ended March 31, 2001 was $61.7 million compared to $61.3 million during the three months ended March 31, 2000.

Cash used for financing activities during the current quarter was $20.6 million compared to cash provided of $39.3 million in the prior year principally due to a reduction in short-term borrowings in the current quarter.

At March 31, 2001, total debt was $731.6 million, a decrease of $31.0 million from December 31, 2000.

In March 2001, the company entered into a new three-year $450 million unsecured credit agreement which replaced the $400 million three-year facility that was to expire in June 2001. As of March 31, 2001, there were no borrowings outstanding under this agreement.

In April 2000, the company redeemed all of its $399.5 million outstanding 12% senior notes. The redemption was funded through a combination of cash and short-term borrowings. In March 2000, the company entered into an additional $150 million credit agreement expiring April 2001 for the purpose of funding this redemption. As of March 31, 2001, $105.0 million was borrowed under this agreement at a rate of 6.08%. On April 12, 2001, such amount was repaid at maturity and the agreement expired.

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.

At March 31, 2001, the company had deferred tax assets in excess of deferred tax liabilities of $1,301 million. For the reasons cited below, management determined that it is more likely than not that $992 million of such assets will be realized, therefore resulting in a valuation allowance of $309 million.

The company evaluates quarterly the realizability of its deferred tax assets and adjusts the amount of the related valuation allowance, if necessary. The factors used to assess the likelihood of realization are the company's forecast of future taxable income, and available tax planning strategies that could be implemented to realize deferred tax assets. Approximately $3.0 billion of future taxable income (predominantly U.S.) is needed to realize all of the net 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.

Stockholders' equity increased $90.4 million during the three months ended March 31, 2001, principally reflecting net income of $69.3 million, $12.7 million for issuance of stock under stock option and other plans, $2.4 million of tax benefits related to employee stock plans and currency translation of $6.1 million.

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. 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; the success of the actions taken to focus on higher growth, higher-margin e-business opportunities; on its ability to effectively manage the shift in its technology business into higher growth, standards-based server products; on its ability to mitigate the effects of competitive pressures and volatility in the information technology and services industry on revenues, pricing and margins; 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.

The company frequently enters into contracts with governmental entities. Associated risks and uncertainties include the availability of appropriated funds and contractual provisions allowing governmental entities to terminate agreements in their discretion before the end of their terms.

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. 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.

Approximately 58% 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.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

As previously reported, most recently in the company's Annual Report on Form 10-K for the year ended December 31, 2000, a number of purported class action lawsuits seeking unspecified compensatory damages have been filed against Unisys and various current and former officers in the U.S. District Court for the Eastern District of Pennsylvania by persons who acquired Unisys common stock during the period May 4, 1999 through October 14, 1999. On February 16, 2000, these actions, which are in the early stages, were consolidated under the caption In re: Unisys Corporation Securities Litigation. The plaintiffs allege violations of the Federal securities laws in connection with statements made by the company concerning certain of its services contracts. The company believes it has meritorious defenses and intends to defend this action 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 March 31, 2001, the company filed no Current Reports on Form 8-K.

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: April 26, 2001

By: /s/ Janet M. Brutschea Haugen

Janet M. Brutschea Haugen
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit 12

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

	Three Months Ended Mar. 31,	Years Ended December 31				
	2001	2000	1999	1998	1997	1996
Fixed charges						
Interest expense	$ 15.9	$ 79.8	$127.8	$171.7	$233.2	$249.7
Interest capitalized during the period	3.0	11.4	3.6	-	-	-
Amortization of debt issuance expenses	.6	3.2	4.1	4.6	6.7	6.3
Portion of rental expense representative of interest	10.6	42.2	46.3	49.1	51.8	59.8
Total Fixed Charges	30.1	136.6	181.8	225.4	291.7	315.8
Earnings						
Income (loss) from continuing operations before income taxes	103.4	379.0	770.3	594.2	(748.1)	80.2
Add (deduct) the following:						
Share of loss (income) of associated companies	-	(20.5)	8.9	(.3)	5.9	(4.9)
Amortization of capitalized interest	1.1	2.2	-	-	-	-
Subtotal	104.5	360.7	779.2	593.9	(742.2)	75.3
Fixed charges per above	30.1	136.6	181.8	225.4	291.7	315.8
Less interest capitalized during the period	(3.0)	(11.4)	(3.6)	-	-	-
Total earnings (loss)	$131.6	$485.9	$957.4	$819.3	$(450.5)	$391.1
Ratio of earnings to fixed charges	4.37	3.56	5.27	3.63	*	1.24

* Earnings for the year ended December 31, 1997 was inadequate to cover fixed charges by approximately $742.2 million.