

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 15, 1998  
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UNISYS CORPORATION

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(Exact Name of Registrant as Specified in its Charter)

Delaware	1-8729	38-0387840
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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

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(Address of Principal Executive Offices) (Zip Code)

(215) 986-4011

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(Registrant's telephone number, including area code)

Item 5. Other Events.

On January 15, 1998, the Company reported net income before one-time charges of \$199.0 million for the year ended December 31, 1997, compared with net income before one-time charges of \$61.8 million in 1996. Before one-time items, the Company earned \$0.46 per share on a diluted basis after payment of preferred dividends in 1997, compared to a loss of \$0.34 per share in 1996. Operating income before one-time items was \$613.8 million in 1997, compared to \$327.4 million in 1996. Net income for the fourth quarter of 1997 before one-time items was \$86.9 million, or \$0.25 per share on a diluted basis after preferred dividends, compared to net income before one-time items of \$55.7 million, or \$0.14 per share on a diluted basis after preferred dividends, in the fourth quarter of 1996. Operating income before one-time items was \$217.5 million in the fourth quarter of 1997 and \$146.9 million in the fourth quarter of 1996.

In the fourth quarter of 1997, the Company took a one-time charge of \$1.1 billion against net income. After this charge, the Company reported a fourth quarter 1997 net loss of \$965.7 million, compared to net income of \$43.6 million after a one-time item in the fourth quarter of 1996. Including one-time items, the net loss for the year ended December 31, 1997 was \$853.6 million, or \$5.30 per share after preferred dividends. Net income in 1996 was \$49.7 million, or a loss of \$0.41 per share after preferred dividends.

The one-time charge against 1997 fourth quarter net income included the writeoff of \$883.6 million in goodwill principally related to the 1986 merger of Burroughs Corporation and Sperry Corporation, \$127.0 million principally related to the Company's decision to discontinue the manufacturing and assembly of personal computers and low-end servers and to dispose of a small, non-strategic technology product and \$42.0 million related to the conversion, in December 1997, of \$271.2 million of the Company's 8-1/4% Convertible Subordinated Notes due 2006. The writeoff of goodwill reflects the rapid changes that continue to occur in the marketplace away from proprietary technology and maintenance as well as the Company's decision to change the method used for measuring the remaining value of goodwill.

Revenue for the year ended December 31, 1997 was \$6.64 billion, compared to \$6.37 billion in 1996. Revenue for the fourth quarter of 1997 was \$1.90 billion, compared to \$1.81 billion in the fourth quarter of 1996. During the year ended December 31, 1997, the Company generated \$383.5 million in cash flow from operating activities, an increase of \$473.2 million from 1996. During the fourth quarter of 1997, the Company generated \$393.7 million in cash flow from operations, up from \$263.0 million in the fourth quarter of 1996.

Item 7. Exhibits

99 Consolidated Statement of Income

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 22, 1998

By: /s/Robert H. Brust

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Name: Robert H. Brust  
Title: Senior Vice President  
and Chief Financial  
Officer

EXHIBIT INDEX

Exhibit No.

99 Consolidated Statement of Income

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

	Three Months		Year	
	Ended December 31		Ended December 31	
	1997	1996	1997	1996
Revenue	\$1,898.6	\$1,811.5	\$6,636.0	\$6,370.5
Costs and expenses				
Cost of revenue	1,294.1	1,153.9	4,402.4	4,252.1
Selling, general and administrative	416.6	426.4	1,427.2	1,448.1
Research and development	80.1	84.3	302.3	342.9
Goodwill impairment	883.6		883.6	
	2,674.4	1,664.6	7,015.5	6,043.1
Operating income (loss)	(775.8)	146.9	(379.5)	327.4
Interest expense	53.8	64.2	233.2	249.7
Other income (expense), net	(107.1)	1.8	(146.1)	16.0
Income (loss) before income taxes and extraordinary item	(936.7)	84.5	(758.8)	93.7
Estimated income taxes	29.0	28.8	94.8	31.9
Income (loss) before extraordinary item	(965.7)	55.7	(853.6)	61.8
Extraordinary item		(12.1)		(12.1)
Net income (loss)	(965.7)	43.6	(853.6)	49.7
Dividends on preferred shares	26.6	30.2	111.1	120.8
Earnings (loss) on common shares	\$ (992.3)	\$ 13.4	\$ (964.7)	\$ (71.1)
Earnings (loss) per common share				
Basic				
Before extraordinary item	\$ (4.75)	\$ .15	\$ (5.30)	\$ (.34)
Extraordinary item		(.07)		(.07)
Total	\$ (4.75)	\$ .08	\$ (5.30)	\$ (.41)
Diluted				
Before extraordinary item	\$ (4.75)	\$ .14	\$ (5.30)	\$ (.34)
Extraordinary item		(.06)		(.07)
Total	\$ (4.75)	\$ .08	\$ (5.30)	\$ (.41)
Shares used in the per share computations (thousands):				
Basic	208,703	172,971	182,016	172,507
Diluted	208,703	217,638	182,016	172,507