

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 10, 2009

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.)

Unisys Way,
Blue Bell, Pennsylvania 19424

(Address of Principal Executive Offices) (Zip Code)

(215) 986-4011

(Registrant's telephone number, including area code)

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 (see General Instruction A.2. below):

- \ \ 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 10, 2009, Unisys Corporation issued a news release to report its financial results for the quarter and year ended December 31, 2008. 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.

(c) The following exhibit is being furnished herewith:

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: February 10, 2009

By: /s/ Janet B. Haugen

Janet B. Haugen
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit
No.

99 News Release, dated February 10, 2009, of Unisys Corporation.

Investor Contact:

Jack McHale, 215-986-6050
Jack.McHale@unisys.com

Media Contacts:

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

UNISYS ANNOUNCES FOURTH-QUARTER AND FULL-YEAR 2008 FINANCIAL RESULTS

COMPANY MOVING AGGRESSIVELY ON PLAN TO SIMPLIFY BUSINESS MODEL, FOCUS RESOURCES AND INVESTMENTS, AND STRENGTHEN COMPETITIVENESS AND PROFITABILITY

FULL-YEAR OPERATING CASH FLOW RISES 47% OVER 2007

BLUE BELL, Pa., February 10, 2009 - Unisys Corporation (NYSE: UIS) today reported a net loss of \$58.0 million, or 16 cents a share, on revenue of \$1.28 billion for the fourth quarter of 2008. The results included a net cost-reduction charge of \$99.0 million related to previously announced headcount reductions, facility consolidations, and asset write-downs related to portfolio exits. In the fourth quarter of 2007, the company reported net income of \$13.8 million, or 4 cents a share, on revenue of \$1.54 billion. The 17% year-over-year revenue decline in the quarter reflected weak global economic conditions as well as a significant impact from foreign currency fluctuations. The stronger U.S. dollar resulted in an approximately 7 percentage-point negative impact on revenue in the quarter.

Unisys said that it generated \$255 million of operating cash flow for the full year of 2008, up 47 percent from 2007 levels. The company ended the year with \$6.1 billion in services backlog.

Under Chairman and CEO Ed Coleman, who joined the company last October, Unisys is taking aggressive actions to simplify its business structure, concentrate and focus its global resources, and enhance the company's profitability and competitiveness.

"We are moving quickly on actions to turn around the business, return this company to profitability, and generate cash," Coleman said. "To do this, we are building on the company's strengths while focusing our resources in fewer markets and portfolio areas where we can clearly differentiate ourselves and deliver superior value for our clients. We are also working to maximize cost-efficiency across our global operations and strengthen our balance sheet."

Unisys said it is focused on four key business priorities:

* Unisys is concentrating its investments and resources on business opportunities in fewer, more profitable markets within the IT marketplace;

* To drive market success and margin expansion, Unisys is focused on creating clearly differentiated value propositions within each of its focused markets and solution offerings;

* To drive margin expansion and deliver cost-competitive services to its clients, Unisys is focused on enhancing its services labor delivery model;

* To reduce its overhead expense, Unisys is simplifying its business, streamlining reporting lines and processes, and creating clear lines of accountability for results.

Tied to its business simplification efforts, the company said it is exploring and acting upon a wide range of options to reduce costs. As previously reported, based on opportunities that have already been identified, Unisys is taking actions to reduce its annual cost structure by more than \$225 million. These actions are primarily in SG&A but also include delivery costs. Actions being taken include reductions in third-party expenses, facility consolidations, headcount reductions of approximately 1,300 positions worldwide, and a suspension of company matching contributions to the U.S. 401(k) plan. Based on the timing of actions, Unisys expects about 90% of the total \$225 million of expense savings to flow through its financial results in 2009.

"While this looks to be a difficult year for organizations operating in the

current economic environment, we are firmly committed to showing clear, demonstrable progress in 2009," Coleman said.

OVERALL FOURTH-QUARTER HIGHLIGHTS

Revenue in the United States declined 9 percent in the fourth quarter to \$575 million. Revenue in international markets declined 22 percent to \$705 million. On a constant currency basis, international revenue declined 11 percent in the quarter.

The company's fourth-quarter 2008 results include the \$99.0 million of net cost-reduction charges as well as \$6.5 million of pretax retirement-related income. Results in the fourth quarter of 2007 included \$55.1 million of net cost-reduction charges and \$11.6 million of pretax retirement-related expense.

Including these items, Unisys reported an overall gross profit margin of 18.6 percent and operating profit margin of (3.7) percent in the fourth quarter of 2008. These compared to a gross margin of 27.4 percent and an operating profit margin of 4.5 percent in the fourth quarter of 2007.

FOURTH-QUARTER BUSINESS SEGMENT RESULTS

Note: Unisys has a long-standing policy of evaluating business segment performance on operating income exclusive of restructuring charges and unusual and non-recurring items. Therefore, the comparisons below exclude these items.

Customer revenue in the company's services segment declined 12 percent in the fourth quarter of 2008 compared with the year-ago quarter. Reflecting the lower revenue volumes, gross profit margin in the services business declined to 16.9 percent in the fourth quarter compared with 19.6 percent a year ago, while services operating margin declined to 3.2 percent compared with 4.5 percent a year ago.

Services orders showed double-digit declines in the fourth quarter. Services order backlog at December 31, 2008 was \$6.1 billion, down 11 percent from \$6.9 billion at December 31, 2007. On a constant currency basis, year-ending 2008 services backlog was down 1% from year-ending 2007 levels.

Customer revenue in the company's technology segment declined 40 percent from the fourth quarter of 2007. The revenue decline primarily reflected lower sales of ClearPath mainframes, following strong sales in the third quarter of 2008. The prior-year results included \$18.8 million of quarterly royalty revenue from an intellectual property agreement with Nihon Unisys Limited (NUL) that ended in March 2008. Reflecting the lower levels of ClearPath sales, gross profit margin in the technology business declined to 43.7 percent compared with 53.9 percent in the year-ago quarter, while technology operating margin declined to 6.7 percent compared with 20.5 percent in the fourth quarter of 2007.

CASH FLOW HIGHLIGHTS

Unisys generated \$138 million of cash from operations in the fourth quarter of 2008 compared with \$247 million of cash flow from operations in the year-ago quarter. The company used approximately \$11 million of cash in the current quarter for restructuring payments compared to approximately \$28 million in the year-ago period.

Capital expenditures for full-year 2008 declined to \$294 million compared to \$309 million in 2007. Capital expenditures in the fourth quarter of 2008 increased to \$80 million compared to \$71 million in the year-ago quarter; the increase in the quarter was driven by initial startup on two new U.S. public sector clients. After deducting for capital expenditures, Unisys generated \$58 million of free cash in the quarter compared with free cash flow of \$176 million in the fourth quarter of 2007.

For the full year of 2008, Unisys generated \$255 million of cash from operations compared with \$173 million of cash flow from operations in full-year 2007. The company used approximately \$60 million of cash in 2008 for restructuring payments compared to approximately \$152 million in 2007. After capital expenditures, Unisys used \$39 million of free cash in 2008 compared with free cash usage of \$136 million in 2007.

Unisys ended 2008 with \$544 million of cash on hand.

FULL-YEAR 2008 RESULTS

For the full year of 2008, the company reported a net loss of \$130.1 million, or 36 cents a share, on revenue of \$5.23 billion. These results include \$103.1 million of net pre-tax cost reduction charges and \$3.8 million of pre-tax retirement-related income.

For the year ended December 31, 2007, Unisys reported a net loss of \$79.1 million, or 23 cents per share, on revenue of \$5.65 billion. The full-year 2007 results included:

- * net pre-tax cost reduction charges of approximately \$105 million;
- * \$82.4 million of pre-tax retirement-related expense;
- * a pre-tax gain of \$24.7 million on the sale of the company's media solutions business; and
- * a \$39.4 million tax benefit related to an income tax settlement.

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. We provide consulting, systems integration, outsourcing and infrastructure services, combined with powerful enterprise server technology. We specialize in helping clients use information to create efficient, secure business operations that allow them to achieve their business goals. Our consultants and industry experts work with clients to understand their business challenges and create greater visibility into critical linkages throughout their operations. 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. In particular, statements concerning anticipated reductions in the company's cost structure assume that the company will fully and successfully implement the associated cost reduction actions. The expected amount of anticipated cost savings is also subject to currency exchange rate fluctuations with regard to actions taken outside the U.S. The expense savings expected in 2009 are subject to the risk that the company may not implement the related actions as quickly or as fully as currently planned. Other risks and uncertainties that could affect the company's future results include general economic and business conditions, particularly the current weak global economy and tight credit markets; the possibility that the company's cash usage will be in excess of current estimates; the company's ability to successfully implement its repositioning strategy; 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 retain significant clients; the company's ability to grow outsourcing and its ability to effectively and timely complete the related solutions implementations, client transitions to the new environment and work force and facilities rationalizations; the company's ability to continue to effectively address its challenging outsourcing operations through negotiations or operationally and to fully recover the associated outsourcing assets; the company's ability to drive profitable growth in consulting and systems integration; the level of 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 be subject 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; the potential business and financial risk in implementing future acquisitions or dispositions; the potential for infringement claims to be asserted against the company or its clients and the possibility that pending litigation could affect the company's results of operations or cash flow. 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.

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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	
	2008	2007	2008	2007
Revenue				
Services	\$1,117.4	\$1,267.6	\$4,603.6	\$4,846.7
Technology	162.1	268.1	629.6	805.8
	1,279.5	1,535.7	5,233.2	5,652.5
Costs and expenses				
Cost of revenue:				
Services	951.7	1,008.7	3,765.9	3,989.3
Technology	90.1	105.9	340.6	376.2
	1,041.8	1,114.6	4,106.5	4,365.5
Selling, general and administrative	255.1	304.3	957.0	1,022.1
Research and development	30.4	47.4	129.0	179.0
	1,327.3	1,466.3	5,192.5	5,566.6
Operating profit (loss)	(47.8)	69.4	40.7	85.9
Interest expense	20.8	20.2	85.1	76.3
Other income (expense), net	(8.7)	(3.6)	(32.6)	(6.1)
Income (loss) before income taxes	(77.3)	45.6	(77.0)	3.5
Provision (benefit) for income taxes	(19.3)	31.8	53.1	82.6
Net income (loss)	(\$58.0)	\$13.8	(\$130.1)	(\$79.1)
Earnings (loss) per share				
Basic	(\$.16)	\$.04	(\$.36)	(\$.23)
Diluted	(\$.16)	\$.04	(\$.36)	(\$.23)
Shares used in the per share computations (thousands):				
Basic	365,201	352,502	359,777	349,661
Diluted	365,201	352,936	359,777	349,661

UNISYS CORPORATION
SEGMENT RESULTS
(Unaudited)
(Millions)

	Total	Elimi- nations	Services*	Technology*
	-----	-----	-----	-----
Three Months Ended December 31, 2008 -----				
Customer revenue	\$1,279.5		\$1,117.4	\$162.1
Intersegment		(\$69.8)	4.5	65.3
	-----	-----	-----	-----
Total revenue	\$1,279.5	(\$69.8)	\$1,121.9	\$227.4
	=====	=====	=====	=====
Gross profit percent	18.6%		16.9%	43.7%
	=====		=====	=====
Operating profit (loss) percent	(3.7%)		3.2%	6.7%
	=====		=====	=====
Three Months Ended December 31, 2007 -----				
Customer revenue	\$1,535.7		\$1,267.6	\$268.1
Intersegment		(\$58.0)	3.0	55.0
	-----	-----	-----	-----
Total revenue	\$1,535.7	(\$58.0)	\$1,270.6	\$323.1
	=====	=====	=====	=====
Gross profit percent	27.4%		19.6%	53.9%
	=====		=====	=====
Operating profit percent	4.5%		4.5%	20.5%
	=====		=====	=====
Year Ended December 31, 2008 -----				
Customer revenue	\$5,233.2		\$4,603.6	\$629.6
Intersegment		(\$232.0)	13.9	218.1
	-----	-----	-----	-----
Total revenue	\$5,233.2	(\$232.0)	\$4,617.5	\$847.7
	=====	=====	=====	=====
Gross profit percent	21.5%		18.1%	43.5%
	=====		=====	=====
Operating profit percent	0.8%		3.0%	4.1%
	=====		=====	=====
Year Ended December 31, 2007 -----				
Customer revenue	\$5,652.5		\$4,846.7	\$805.8
Intersegment		(\$206.7)	13.9	192.8
	-----	-----	-----	-----
Total revenue	\$5,652.5	(\$206.7)	\$4,860.6	\$998.6
	=====	=====	=====	=====
Gross profit percent	22.8%		17.4%	47.0%
	=====		=====	=====
Operating profit percent	1.5%		2.5%	8.3%
	=====		=====	=====

* Results exclude cost reduction actions

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Millions)

	December 31, 2008 (Unaudited)	December 31, 2007
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$544.0	\$830.2
Accounts and notes receivable, net	818.5	1,059.2
Inventories		
Parts and finished equipment	64.7	91.9
Work in process and materials	70.7	79.2
Deferred income taxes	23.8	18.0
Prepaid expense and other current assets	116.7	133.7
	-----	-----
Total	1,638.4	2,212.2
	-----	-----
Properties	1,284.8	1,336.9
Less accumulated depreciation and amortization	1,008.3	1,004.7
	-----	-----
Properties, net	276.5	332.2
	-----	-----
Outsourcing assets, net	314.9	409.4
Marketable software, net	202.0	268.8
Prepaid postretirement assets	20.7	497.0
Deferred income taxes	87.6	93.8
Goodwill	189.4	200.6
Other long-term assets	94.6	123.1
	-----	-----
Total	\$2,824.1	\$4,137.1
	=====	=====
Liabilities and stockholders' equity		
Current liabilities		
Notes payable	\$0.0	\$0.1
Current maturities of long-term debt	1.5	204.3
Accounts payable	379.2	419.6
Other accrued liabilities	1,045.7	1,272.0
	-----	-----
Total	1,426.4	1,896.0
	-----	-----
Long-term debt	1,059.1	1,058.3
Long-term postretirement liabilities	1,497.0	420.7
Other long-term liabilities	295.9	395.5
Stockholders' equity		
Common stock	3.7	3.6
Accumulated deficit	(2,596.0)	(2,465.9)
Other capital	4,054.5	4,011.8
Accumulated other comprehensive loss	(2,916.5)	(1,182.9)
	-----	-----
Stockholders' (deficit) equity	(1,454.3)	366.6
	-----	-----
Total	\$2,824.1	\$4,137.1
	=====	=====

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

	Year Ended December 31	
	2008	2007
Cash flows from operating activities		
Net loss	(\$130.1)	(\$79.1)
Add (deduct) items to reconcile net loss to net cash provided by operating activities:		
Employee stock compensation expense	1.1	7.7
Company stock issued for U.S. 401(k) plan	41.8	47.4
Depreciation and amortization of properties	105.7	115.1
Depreciation and amortization of outsourcing assets	162.6	143.8
Amortization of marketable software	149.7	121.6
Disposals of capital assets	12.9	14.2
Gain on sale of assets		(24.7)
(Increase) decrease in deferred income taxes, net	(9.9)	82.7
Decrease in receivables, net	186.7	176.2
Decrease in inventories	27.2	10.7
Decrease in accounts payable and other accrued liabilities	(110.9)	(298.9)
Decrease in other liabilities	(66.7)	(103.3)
Increase in other assets	(119.7)	(32.2)
Other	4.2	(8.1)
	-----	-----
Net cash provided by operating activities	254.6	173.1
	-----	-----
Cash flows from investing activities		
Proceeds from investments	6,208.2	7,718.5
Purchases of investments	(6,190.3)	(7,728.3)
Investment in marketable software	(84.5)	(94.0)
Capital additions of properties	(76.9)	(77.5)
Capital additions of outsourcing assets	(133.1)	(137.5)
Purchases of businesses	(6.4)	(1.2)
Proceeds from sale of businesses		29.3
	-----	-----
Net cash used for investing activities	(283.0)	(290.7)
	-----	-----
Cash flows from financing activities		
Net reduction in short-term borrowings	(.1)	(1.1)
Minority shareholder dividends		(5.8)
Proceeds from exercise of stock options		12.3
Payments of long-term debt	(200.0)	
Proceeds from issuance of long-term debt		204.2
Financing fees	(.8)	
	-----	-----
Net cash (used for) provided by financing activities	(200.9)	209.6
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(56.9)	18.9
	-----	-----
(Decrease) increase in cash and cash equivalents	(286.2)	110.9
Cash and cash equivalents, beginning of period	830.2	719.3
	-----	-----
Cash and cash equivalents, end of period	\$544.0	\$830.2
	=====	=====