

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)

July 23, 2008

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 July 23, 2008, Unisys Corporation issued a news release to report its financial results for the quarter ended June 30, 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: July 23, 2008

By: /s/ Janet B. Haugen

Janet B. Haugen
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit
No.

99 News Release, dated July 23, 2008, of Unisys Corporation.

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UNISYS ANNOUNCES SECOND-QUARTER 2008 FINANCIAL RESULTS

COMPANY REPORTS \$22.6 MILLION OPERATING PROFIT, SERVICES ORDERS GROWTH; CASH FLOW FROM OPERATIONS MORE THAN DOUBLES FROM YEAR AGO

BLUE BELL, Pa., July 23, 2008 - Unisys Corporation (NYSE: UIS) today reported that its second-quarter 2008 operating profit increased to \$22.6 million compared with an operating profit of \$2.5 million in the year-ago period. Revenue for the second quarter of 2008 declined 3 percent to \$1.34 billion from \$1.38 billion in the year-ago quarter. Foreign currency exchange rates had an approximately 4 percentage-point positive impact on revenue in the quarter.

"We continued to make important progress in the second quarter despite a difficult economic environment," said Unisys President and CEO Joseph W. McGrath. "Our cash flow from operations more than doubled from the year-ago quarter. Services orders continued to grow, although at a slower rate than in recent quarters. While our revenue was down in the quarter, primarily due to weakness in the financial services industry, we continued to grow and expand our strategic services programs, such as outsourcing, enterprise security, and open source services.

"Given the weak economic environment and the declining revenue in our non-strategic businesses, we will be placing additional focus on reducing costs in order to enhance our margins," McGrath said. "We also continue to explore portfolio rationalization and other actions to unlock value in the business and drive shareholder value."

Unisys reported a pretax loss of \$10.4 million in the second quarter of 2008 compared with a pretax loss of \$24.9 million in the second quarter of 2007. After taxes, the company reported a second-quarter 2008 net loss of \$14.0 million, or diluted loss per share of 4 cents, compared with a net loss of \$65.5 million, or a loss of 19 cents per share, in the year-ago period. The company's year-ago results included a net \$24 million pre-tax cost reduction charge. The current year includes \$8 million in pre-tax cost reduction-related charges. Pretax retirement-related expense in the second quarter of 2008 was \$5.8 million compared with \$24.5 million in the year-ago period.

SECOND-QUARTER COMPANY RESULTS

Services orders showed single-digit gains in the second quarter, driven by order gains for outsourcing. Services order backlog at June 30, 2008 was \$7.17 billion, up 3 percent from \$6.97 billion at March 31, 2008.

Revenue in the United States declined 3 percent in the quarter to \$572 million. Revenue in international markets declined 2 percent to \$768 million. The revenue declines in both regions primarily reflected sales declines in financial services. On a constant currency basis, international revenue declined 10 percent in the quarter.

The company's gross profit margin and operating profit margin in the second quarter of 2008 increased to 22.7 percent and 1.7 percent, respectively. These compared with gross and operating profit margins of 21.8 percent and 0.2 percent, respectively, in the second quarter of 2007.

SECOND-QUARTER BUSINESS SEGMENT RESULTS

Unisys has a long-standing policy to evaluate 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 1 percent in the second quarter of 2008 compared with the year-ago period. The company reported revenue growth in outsourcing and in systems integration and consulting.

Growth in these areas was offset by revenue declines in infrastructure services and core maintenance. Gross profit margin in the services business improved to 19.2 percent compared with 17.3 percent a year ago. Services operating margin improved to 3.3 percent compared with 2.5 percent a year ago.

Unisys said its technology revenue and margins in the quarter were negatively impacted, as expected, by the ending of \$18.8 million of quarterly royalty revenue from a 2005 intellectual property agreement with Nihon Unisys Limited (NUL) that ended on March 31. Customer revenue in the company's technology segment declined 14 percent from the second quarter of 2007. Excluding the NUL royalty revenue in the year-ago period, technology revenue declined about 3 percent in the quarter. Gross profit margin in the technology business declined to 39.2 percent compared with 43.3 percent a year ago, while technology operating margin declined to (3.7) percent compared with (0.6) percent in the second quarter of 2007.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

Unisys generated \$52 million of cash from operations in the second quarter of 2008. In the year-ago quarter, the company generated \$23 million of cash from operations, which included a tax refund of approximately \$58 million. The company used approximately \$22 million of cash in the second quarter of 2008 for restructuring payments compared to approximately \$37 million in the year-ago period.

Capital expenditures in the second quarter of 2008 were \$71 million compared to \$84 million in the year-ago quarter. After deducting for capital expenditures, Unisys used \$19 million of free cash in the quarter compared with free cash usage of \$61 million in the second quarter of 2007.

CONFERENCE CALL

Unisys will hold a conference call today at 8:15 a.m. EDT 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 specialise 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. Risks and uncertainties that could affect the company's future results include general economic and business conditions; 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 successfully implement its repositioning strategy; 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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RELEASE NO.: 0723/8899

http://www.unisys.com/about__unisys/news_a_events/07238899.htm

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 Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Revenue				
Services	\$1,197.0	\$1,208.6	\$2,334.1	\$2,361.5
Technology	143.0	167.1	307.2	362.2
	-----	-----	-----	-----
	1,340.0	1,375.7	2,641.3	2,723.7
Costs and expenses				
Cost of revenue:				
Services	954.4	992.2	1,876.6	1,986.1
Technology	81.8	84.1	167.7	180.8
	-----	-----	-----	-----
	1,036.2	1,076.3	2,044.3	2,166.9
Selling, general and administrative	251.0	247.4	483.5	492.0
Research and development	30.2	49.5	62.9	91.9
	-----	-----	-----	-----
	1,317.4	1,373.2	2,590.7	2,750.8
	-----	-----	-----	-----
Operating profit (loss)	22.6	2.5	50.6	(27.1)
Interest expense	21.2	18.7	42.8	37.6
Other income (expense), net	(11.8)	(8.7)	(17.8)	16.8
	-----	-----	-----	-----
Loss before income taxes	(10.4)	(24.9)	(10.0)	(47.9)
Provision for income taxes	3.6	40.6	27.4	14.0
	-----	-----	-----	-----
Net Loss	(\$14.0)	(\$65.5)	(\$37.4)	(\$61.9)
	=====	=====	=====	=====
Loss per share				
Basic	(\$.04)	(\$.19)	(\$.10)	(\$.18)
	=====	=====	=====	=====
Diluted	(\$.04)	(\$.19)	(\$.10)	(\$.18)
	=====	=====	=====	=====
Shares used in the per share computations (thousands):				
Basic	358,167	348,958	356,482	347,690
	=====	=====	=====	=====
Diluted	358,167	348,958	356,482	347,690
	=====	=====	=====	=====

UNISYS CORPORATION
SEGMENT RESULTS
(Unaudited)
(Millions)

	Total	Elimi- nations	Services*	Technology*
	-----	-----	-----	-----
Three Months Ended June 30, 2008 -----				
Customer revenue Intersegment	\$1,340.0	(\$51.0)	\$1,197.0 2.7	\$143.0 48.3
	-----	-----	-----	-----
Total revenue	\$1,340.0	(\$51.0)	\$1,199.7	\$191.3
	=====	=====	=====	=====
Gross profit percent	22.7%		19.2%	39.2%
	=====		=====	=====
Operating profit (loss) percent	1.7%		3.3%	(3.7%)
	=====		=====	=====
Three Months Ended June 30, 2007 -----				
Customer revenue Intersegment	\$1,375.7	(\$47.4)	\$1,208.6 3.6	\$167.1 43.8
	-----	-----	-----	-----
Total revenue	\$1,375.7	(\$47.4)	\$1,212.2	\$210.9
	=====	=====	=====	=====
Gross profit percent	21.8%		17.3%	43.3%
	=====		=====	=====
Operating profit (loss) percent	0.2%		2.5%	(0.6%)
	=====		=====	=====
Six Months Ended June 30, 2008 -----				
Customer revenue Intersegment	\$2,641.3	(\$94.7)	\$2,334.1 5.4	\$307.2 89.3
	-----	-----	-----	-----
Total revenue	\$2,641.3	(\$94.7)	\$2,339.5	\$396.5
	=====	=====	=====	=====
Gross profit percent	22.6%		18.8%	41.1%
	=====		=====	=====
Operating profit (loss) percent	1.9%		2.8%	(1.4%)
	=====		=====	=====
Six Months Ended June 30, 2007 -----				
Customer revenue Intersegment	\$2,723.7	(\$87.5)	\$2,361.5 7.5	\$362.2 80.0
	-----	-----	-----	-----
Total revenue	\$2,723.7	(\$87.5)	\$2,369.0	\$442.2
	=====	=====	=====	=====
Gross profit percent	20.4%		16.2%	43.3%
	=====		=====	=====
Operating profit (loss) percent	(1.0%)		0.8%	1.5%
	=====		=====	=====

* Results exclude cost reduction actions

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Millions)

	June 30, 2008 (Unaudited)	December 31, 2007
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$471.4	\$830.2
Accounts and notes receivable, net	991.1	1,059.2
Inventories		
Parts and finished equipment	90.6	91.9
Work in process and materials	73.5	79.2
Deferred income taxes	18.0	18.0
Prepaid expense and other current assets	155.9	133.7
	-----	-----
Total	1,800.5	2,212.2
	-----	-----
Properties	1,374.8	1,336.9
Less accumulated depreciation and amortization	1,057.9	1,004.7
	-----	-----
Properties, net	316.9	332.2
	-----	-----
Outsourcing assets, net	380.2	409.4
Marketable software, net	254.0	268.8
Prepaid postretirement assets	570.5	497.0
Deferred income taxes	93.8	93.8
Goodwill	203.7	200.6
Other long-term assets	134.4	123.1
	-----	-----
Total	\$3,754.0	\$4,137.1
	=====	=====
Liabilities and stockholders' equity		
Current liabilities		
Notes payable	\$0.1	\$0.1
Current maturities of long-term debt	3.2	204.3
Accounts payable	373.3	419.6
Other accrued liabilities	1,162.2	1,272.0
	-----	-----
Total	1,538.8	1,896.0
	-----	-----
Long-term debt	1,060.3	1,058.3
Long-term postretirement liabilities	406.1	420.7
Other long-term liabilities	358.4	395.5
Stockholders' equity		
Common stock	3.6	3.6
Accumulated deficit	(2,503.3)	(2,465.9)
Other capital	4,047.7	4,011.8
Accumulated other comprehensive loss	(1,157.6)	(1,182.9)
	-----	-----
Stockholders' equity	390.4	366.6
	-----	-----
Total	\$3,754.0	\$4,137.1
	=====	=====

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

	Six Months Ended June 30	
	2008	2007
<hr/>		
Cash flows from operating activities		
Net loss	(\$37.4)	(\$61.9)
Add (deduct) items to reconcile net loss to net cash provided by (used for) operating activities:		
Employee stock compensation expense	11.9	5.5
Company stock issued for U.S. 401(k) plan	23.9	23.0
Depreciation and amortization of properties	53.7	56.9
Depreciation and amortization of outsourcing assets	83.9	70.6
Amortization of marketable software	60.9	62.1
Disposals of capital assets	5.6	.3
Gain on sale of assets		(23.1)
Decrease in receivables, net	89.4	136.0
Decrease (increase) in inventories	9.8	(9.0)
Decrease in accounts payable and other accrued liabilities	(207.2)	(250.5)
Decrease in other liabilities	(16.6)	(50.9)
Increase in other assets	(80.8)	(39.9)
Other	5.2	(.2)
	<hr/>	<hr/>
Net cash provided by (used for) operating activities	2.3	(81.1)
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from investments	3,276.9	3,942.4
Purchases of investments	(3,306.5)	(3,941.0)
Investment in marketable software	(45.4)	(48.9)
Capital additions of properties	(32.1)	(39.8)
Capital additions of outsourcing assets	(58.6)	(78.5)
Purchases of businesses	(1.8)	(1.6)
Proceeds from sale of assets		27.7
	<hr/>	<hr/>
Net cash used for investing activities	(167.5)	(139.7)
	<hr/>	<hr/>
Cash flows from financing activities		
Net reduction in short-term borrowings		(.6)
Proceeds from exercise of stock options		11.3
Payments of long-term debt	(200.0)	
Financing fees	(.8)	
	<hr/>	<hr/>
Net cash (used for) provided by financing activities	(200.8)	10.7
	<hr/>	<hr/>
Effect of exchange rate changes on cash and cash equivalents	7.2	11.5
	<hr/>	<hr/>
Decrease in cash and cash equivalents	(358.8)	(198.6)
Cash and cash equivalents, beginning of period	830.2	719.3
	<hr/>	<hr/>
Cash and cash equivalents, end of period	\$471.4	\$520.7
	=====	=====