

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 20, 2005

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 20, 2005, Unisys Corporation issued a news release to report its financial results for the quarter ended June 30, 2005. 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

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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: July 20, 2005

By: /s/ Janet B. Haugen

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Janet B. Haugen  
Senior Vice President and  
Chief Financial Officer

EXHIBIT INDEX

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Exhibit  
No.

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99 News Release, dated July 20, 2005, of Unisys Corporation.

UNISYS

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UNISYS ANNOUNCES SECOND-QUARTER 2005 FINANCIAL RESULTS

BLUE BELL, Pa., July 20, 2005 - Unisys Corporation (NYSE: UIS) today reported a second-quarter 2005 net loss of \$27.1 million, or a loss of 8 cents per share, compared with second-quarter 2004 net income of \$19.4 million, or 6 cents per share. The second-quarter 2005 results included pre-tax pension expense of \$45.8 million, or 9 cents per share, compared with pension expense of \$24.8 million, or 5 cents per share, in the year-ago quarter. Excluding the impact of pension expense in both periods, second-quarter 2005 net income was \$4.1 million, or 1 cent per share, compared with net income of \$36.3 million, or 11 cents per share, in the second quarter of 2004. Revenue for the second quarter of 2005 increased 3% to \$1.44 billion from \$1.39 billion in the year-ago quarter. Currency had a 3 percentage-point positive impact on the company's revenue in the second quarter, reflecting a weak U.S. dollar against most major currencies worldwide.

COMMENTS FROM PRESIDENT AND CEO JOSEPH W. MCGRATH

"Our second-quarter 2005 results came in as expected," said Joseph W. McGrath, Unisys President and Chief Executive Officer. "As was the case in the first quarter, our results were impacted by the continuing challenges of several transformational business process outsourcing contracts as well as weak demand for enterprise servers. Our results in the quarter were also impacted by a substantial increase in pension expense. Excluding pension expense, we posted a small profit in the quarter.

"There were a number of positives in the quarter. Our services business showed good revenue growth, driven by double-digit growth in our outsourcing business. Our orders also increased double-digits with services orders showing strong growth for the second consecutive quarter. We were particularly encouraged by the improvement in our systems integration and consulting business, which saw substantial order gains and good revenue growth in the quarter. In our technology business, while our results were impacted by lower-than-expected volumes of enterprise server sales, we did see good growth in orders for ES7000 server products. Overall, our order picture continues to improve as customers respond favorably to our services, products, and solutions."

Significant contracts signed in the quarter included:

- \* a three-year contract extension from the state of New Jersey valued at approximately \$90 million to continue managing the state's Medicaid administration services; Unisys has been the state's Medicaid fiscal agent since 1989;
- \* a five-year, \$68 million contract with a group of U.S. telecommunications companies for IT infrastructure outsourcing services;
- \* a contract with China's Beijing Capital International airport to develop and integrate the core operational system for the airport's new international terminal, which is being built in preparation for the 2008 Olympic Games;
- \* outsourcing contracts from Cadbury Schweppes, Andersen Corporation, Tre-For in Denmark, TeliaSonera and Mercuri Urval in Sweden, and other leading organizations.

SECOND-QUARTER COMPANY RESULTS

The company reported strong growth in overall orders in the second quarter. Services orders showed double-digit gains, driven by order growth for infrastructure services and systems integration and consulting. Technology orders showed high single-digit gains over the prior-year period, reflecting order gains for ES7000 servers and specialized equipment.

Revenue in the U.S. increased 6% to \$671 million. Revenue in international markets was up 1% in the quarter to \$765 million.

The company's gross profit margin and operating profit margin in the quarter were 19.3% and -3.9%, respectively, compared with 26.4% and 1.6% in the second

quarter of 2004. The year-over-year margin declines were principally due to the impact of the challenging outsourcing contracts, lower sales of enterprise servers, and higher pension expense.

The company continued to make progress in reducing its costs despite an increase in pension expense. SG&A expense and R&D expense represented 18.6% and 4.6% of revenue, respectively, in the second quarter of 2005 compared with 19.7% and 5.1% of revenue in the year-ago quarter.

#### SECOND-QUARTER BUSINESS SEGMENT RESULTS

Customer revenue in the company's services segment increased 7% in the second quarter of 2005 compared with the year-ago period. The services revenue growth was driven by double-digit growth in outsourcing and single-digit growth in systems integration and consulting and infrastructure services. Growth in these areas was partially offset by a double-digit revenue decline in core maintenance. On a reported basis, gross profit margin in the services business declined to 12.2% from 18.5% a year ago, while the services operating margin was -3.7% compared with 0.7% a year ago. The services margin declines in the quarter primarily reflected the impact of the challenging outsourcing contracts as well as the increase in pension expense. Excluding the impact of pension expense in both periods, services gross profit margin declined to 14.7% from 20.0% a year ago, while services operating margin declined to -0.6% compared with 2.5% a year ago. On a sequential basis, services operating margins excluding pension expense improved to -0.6% from -3.2% in the first quarter of 2005.

Customer revenue in the company's technology segment declined 13% in the second quarter. Sales of specialized equipment and enterprise servers both showed double-digit declines in the quarter. Within enterprise servers, sales of ClearPath systems declined by a double-digit percentage, while ES7000 revenue showed a high single-digit increase. On a reported basis, technology gross margin declined to 44.6% from 53.3% a year ago, and technology operating margin declined to -4.8% from 5.4% a year ago. Excluding the impact of pension expense in both periods, the technology gross margin decreased to 44.9% in the second quarter of 2005 from 53.5% in the year-ago quarter and the technology operating margin declined to -2.1% compared with 6.7% in the year-ago period. The weak results in technology in the quarter reflected lower sales and margin in high-end enterprise servers and specialized equipment.

#### CASH FLOW RESULTS

Unisys generated \$64 million of cash from operations in the quarter compared with \$108 million in the year-ago quarter. The decline in operational cash flow year-over-year was primarily driven by lower net income.

Capital expenditures in the second quarter of 2005 were \$112 million, including \$76 million invested in revenue-generating projects. Unisys ended the quarter with \$399 million of cash on hand.

#### BUSINESS OUTLOOK

"Our sequential profit improvement will continue in the third quarter," McGrath said, "as we look for earnings per share, excluding pension expense, of between 4 to 6 cents. Revenue is expected to be up mid single-digits over the prior-year quarter. For the full year of 2005, while we continue to look for a strong fourth quarter of the year, we are tempering our previous full-year outlook principally due to negotiations on our challenging outsourcing operations taking longer than we expected. Excluding pension expense, we now expect full-year 2005 earnings per share of between 33 - 38 cents on low single-digit revenue growth over 2004. We continue to address the issues in our challenging outsourcing operations with the goal to resolve the issues and be in an improved position by the end of 2005."

#### 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](http://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. Our people combine expertise in consulting, systems integration, outsourcing, infrastructure and server technology with precision thinking and relentless execution to help clients, in more than 100 countries, quickly and efficiently achieve competitive advantage. For more information, visit [www.unisys.com](http://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, contract values 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 grow outsourcing and infrastructure services 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 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; the company's ability to maintain tight cost controls; the risks of doing business internationally and the potential for infringement claims to be asserted against the company or its clients. Statements in this release regarding contract values are based upon various assumptions, which are subject to change, including the projected volume of products and services to be provided by Unisys, the contracts continuing for their full term, and for contracts with governmental entities, the availability of appropriated funds. Accordingly, the contract values are not guaranteed. 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.

PRESENTATION OF INFORMATION IN THIS PRESS RELEASE

This release presents information that excludes pension expense. This financial measure is considered non-GAAP. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows where amounts are either excluded or included not in accordance with generally accepted accounting principles. A reconciliation of this non-GAAP measure to the most directly comparable GAAP measure, as well as disclosure of the reasons why the company uses this measure, is included in the financial information accompanying this release.

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 RELEASE NO: xxxx/xxxx (See accompanying financial information)

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  
 (Millions, except per share data)

	Three Months Ended June 30		Six Months Ended June 30	
	2005	2004	2005	2004
Revenue				
Services	\$1,236.0	\$1,158.8	\$2,343.7	\$2,323.8
Technology	199.5	229.3	458.4	527.2

Costs and expenses	1,435.5	1,388.1	2,802.1	2,851.0
Cost of revenue:				
Services	1,063.4	930.2	2,044.8	1,855.9
Technology	94.7	90.8	219.6	236.5
	-----	-----	-----	-----
	1,158.1	1,021.0	2,264.4	2,092.4
Selling, general and administrative	267.4	272.9	529.0	534.1
Research and development	66.6	71.3	131.5	142.8
	-----	-----	-----	-----
	1,492.1	1,365.2	2,924.9	2,769.3
	-----	-----	-----	-----
Operating income (loss)	(56.6)	22.9	(122.8)	81.7
Interest expense	15.2	18.2	27.8	35.2
Other income (expense), net	32.0	24.0	32.5	24.6
	-----	-----	-----	-----
Income (loss) before income taxes	(39.8)	28.7	(118.1)	71.1
Provision (benefit) for income taxes	(12.7)	9.3	(45.5)	22.8
	-----	-----	-----	-----
Net income (loss)	(\$27.1)	\$19.4	(\$72.6)	\$48.3
	=====	=====	=====	=====
Earnings (loss) per share				
Basic	(\$ .08)	\$ .06	(\$ .21)	\$ .14
	=====	=====	=====	=====
Diluted	(\$ .08)	\$ .06	(\$ .21)	\$ .14
	=====	=====	=====	=====
Shares used in the per share computations (thousands):				
Basic	340,047	334,411	339,147	333,567
	=====	=====	=====	=====
Diluted	340,047	338,767	339,147	338,407
	=====	=====	=====	=====



UNISYS CORPORATION  
SEGMENT RESULTS  
(Millions)

	Total	Elimi- nations	Services	Technology
	-----	-----	-----	-----
Three Months Ended June 30, 2005 -----				
Customer revenue Intersegment	\$1,435.5	(\$75.7)	\$1,236.0 4.9	\$199.5 70.8
	-----	-----	-----	-----
Total revenue	\$1,435.5	(\$75.7)	\$1,240.9	\$270.3
	=====	=====	=====	=====
Gross profit percent	19.3%		12.2%	44.6%
	=====		=====	=====
Operating profit (loss) percent	(3.9%)		(3.7%)	(4.8%)
	=====		=====	=====
Three Months Ended June 30, 2004 -----				
Customer revenue Intersegment	\$1,388.1	(\$57.3)	\$1,158.8 4.5	\$229.3 52.8
	-----	-----	-----	-----
Total revenue	\$1,388.1	(\$57.3)	\$1,163.3	\$282.1
	=====	=====	=====	=====
Gross profit percent	26.4%		18.5%	53.3%
	=====		=====	=====
Operating profit percent	1.6%		0.7%	5.4%
	=====		=====	=====
Six Months Ended June 30, 2005 -----				
Customer revenue Intersegment	\$2,802.1	(\$135.6)	\$2,343.7 9.7	\$458.4 125.9
	-----	-----	-----	-----
Total revenue	\$2,802.1	(\$135.6)	\$2,353.4	\$584.3
	=====	=====	=====	=====
Gross profit percent	19.2%		11.6%	46.2%
	=====		=====	=====
Operating profit (loss) percent	(4.4%)		(5.2%)	1.1%
	=====		=====	=====
Six Months Ended June 30, 2004 -----				
Customer revenue Intersegment	\$2,851.0	(\$103.0)	\$2,323.8 9.3	\$527.2 93.7
	-----	-----	-----	-----
Total revenue	\$2,851.0	(\$103.0)	\$2,333.1	\$620.9
	=====	=====	=====	=====
Gross profit percent	26.6%		18.8%	50.6%
	=====		=====	=====
Operating profit percent	2.9%		1.6%	7.1%
	=====		=====	=====

UNISYS CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(Millions)

	June 30, 2005	December 31, 2004
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$398.9	\$660.5
Accounts and notes receivable, net	1,073.1	1,136.8
Inventories		
Parts and finished equipment	87.6	93.7
Work in process and materials	118.1	122.4
Deferred income taxes	292.4	291.8
Prepaid expense and other current assets	153.9	112.4
	-----	-----
Total	2,124.0	2,417.6
	-----	-----
Properties	1,331.7	1,305.5
Less accumulated depreciation and amortization	922.8	881.4
	-----	-----
Properties, net	408.9	424.1
	-----	-----
Outsourcing assets, net	432.2	431.9
Marketable software, net	337.1	336.8
Investments at equity	213.9	197.1
Prepaid pension cost	45.3	52.5
Deferred income taxes	1,394.6	1,394.6
Goodwill	188.8	189.9
Other long-term assets	160.2	176.4
	-----	-----
Total	\$5,305.0	\$5,620.9
	=====	=====
Liabilities and stockholders' equity		
Current liabilities		
Notes payable	\$1.4	\$1.0
Current maturities of long-term debt	400.5	151.7
Accounts payable	431.6	487.4
Other accrued liabilities	1,189.1	1,382.7
	-----	-----
Total	2,022.6	2,022.8
	-----	-----
Long-term debt	499.4	898.4
Accrued pension liabilities	610.6	537.9
Other long-term liabilities	694.2	655.3
Stockholders' equity		
Common stock	3.4	3.4
Accumulated deficit	(448.8)	(376.2)
Other capital	3,907.0	3,883.8
Accumulated other comprehensive loss	(1,983.4)	(2,004.5)
	-----	-----
Stockholders' equity	1,478.2	1,506.5
	-----	-----
Total	\$5,305.0	\$5,620.9
	=====	=====

UNISYS CORPORATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
(Millions)

	Six Months Ended June 30	
	2005	2004
<b>Cash flows from operating activities</b>		
Net income (loss)	(\$72.6)	\$48.3
Add (deduct) items to reconcile net income (loss) to net cash provided by operating activities:		
Equity income	(11.6)	(14.3)
Depreciation and amortization of properties	61.8	68.9
Depreciation and amortization of outsourcing assets	65.6	59.0
Amortization of marketable software	59.2	62.9
Increase in deferred income taxes, net	(.6)	(2.4)
Decrease in receivables, net	73.6	185.3
Decrease in inventories	10.4	6.4
Decrease in accounts payable and other accrued liabilities	(249.3)	(194.1)
Increase in other liabilities	122.6	3.5
Increase in other assets	(24.8)	(7.8)
Other	56.4	21.6
	90.7	237.3
<b>Cash flows from investing activities</b>		
Proceeds from investments	3,709.4	2,878.8
Purchases of investments	(3,698.8)	(2,879.0)
Investment in marketable software	(63.3)	(60.5)
Capital additions of properties	(59.4)	(74.5)
Capital additions of outsourcing assets	(86.3)	(92.3)
Purchases of businesses	(.5)	(12.6)
	(198.9)	(240.1)
<b>Cash flows from financing activities</b>		
Net proceeds from (reduction in) short-term borrowings	.5	(10.6)
Proceeds from employee stock plans	12.8	24.0
Payments of long-term debt	(150.7)	(1.7)
	(137.4)	11.7
Effect of exchange rate changes on cash and cash equivalents	(16.0)	(1.4)
(Decrease) increase in cash and cash equivalents	(261.6)	7.5
Cash and cash equivalents, beginning of period	660.5	635.9
Cash and cash equivalents, end of period	\$398.9	\$643.4

Reconciliation of GAAP to Non-GAAP  
Financial Information

The preceding release presents information with and without pension expense. Unisys believes that this information will enhance an overall understanding of its financial performance due to the significant change in pension expense from period to period and the non-operational nature of pension expense. The presentation of non-GAAP information is not meant to be considered in isolation or as a substitute for results prepared in accordance with accounting principles generally accepted in the United States.

UNISYS CORPORATION  
RECONCILIATION OF GAAP TO NON-GAAP  
CONSOLIDATED STATEMENTS OF INCOME  
(Millions, except per share data)

Three Months Ended  
June 30, 2005

	US GAAP as Reported	Less Pension Expense	Without Pension Expense
Revenue	\$1,435.5		\$1,435.5
Costs and expenses			
Cost of revenue	1,158.1	(\$32.0)	1,126.1
Selling, general and administrative	267.4	(8.9)	258.5
Research and development	66.6	(4.9)	61.7
	1,492.1	(45.8)	1,446.3
Operating income (loss)	(56.6)	45.8	(10.8)
Interest expense	15.2		15.2
Other income (expense), net	32.0		32.0
Income (loss) before income taxes	(39.8)	45.8	6.0
Provision (benefit) for income taxes	(12.7)	14.6	1.9
Net income (loss)	(\$27.1)	\$31.2	\$4.1
Earnings (loss) per share	(\$ .08)	\$ .09	\$ .01

Three Months Ended  
June 30, 2004

	US GAAP as Reported	Less Pension Expense	Without Pension Expense
Revenue	\$1,388.1		\$1,388.1
Costs and expenses			
Cost of revenue	1,021.0	(\$17.8)	1,003.2
Selling, general and administrative	272.9	(4.8)	268.1
Research and development	71.3	(2.2)	69.1
	1,365.2	(24.8)	1,340.4
Operating income	22.9	24.8	47.7
Interest expense	18.2		18.2
Other income (expense), net	24.0		24.0
Income before income taxes	28.7	24.8	53.5
Provision for income taxes	9.3	7.9	17.2
Net income	\$19.4	\$16.9	\$36.3
Earnings per share	\$ .06	\$ .05	\$ .11

UNISYS CORPORATION  
RECONCILIATION OF GAAP TO NON-GAAP  
CONSOLIDATED STATEMENTS OF INCOME  
(Millions, except per share data)

	Six Months Ended June 30, 2005		
	US GAAP as Reported	Less Pension Expense	Without Pension Expense
Revenue	\$2,802.1		\$2,802.1
Costs and expenses			
Cost of revenue	2,264.4	(\$64.8)	2,199.6
Selling, general and administrative	529.0	(18.0)	511.0
Research and development	131.5	(9.8)	121.7
	-----	-----	-----
	2,924.9	(92.6)	2,832.3
	-----	-----	-----
Operating income (loss)	(122.8)	92.6	(30.2)
Interest expense	27.8		27.8
Other income (expense), net	32.5		32.5
	-----	-----	-----
Income (loss) before income taxes	(118.1)	92.6	(25.5)
Provision (benefit) for income taxes	(45.5)	29.6	(15.9)
	-----	-----	-----
Net income (loss)	(\$72.6)	\$63.0	(\$9.6)
	=====	=====	=====
Earnings (loss) per share	(\$ .21)	\$ .18	(\$ .03)
	=====	=====	=====

	Six Months Ended June 30, 2004		
	US GAAP as Reported	Less Pension Expense	Without Pension Expense
Revenue	\$2,851.0		\$2,851.0
Costs and expenses			
Cost of revenue	2,092.4	(\$33.3)	2,059.1
Selling, general and administrative	534.1	(9.7)	524.4
Research and development	142.8	(4.0)	138.8
	-----	-----	-----
	2,769.3	(47.0)	2,722.3
	-----	-----	-----
Operating income	81.7	47.0	128.7
Interest expense	35.2		35.2
Other income (expense), net	24.6		24.6
	-----	-----	-----
Income before income taxes	71.1	47.0	118.1
Provision for income taxes	22.8	15.0	37.8
	-----	-----	-----
Net income	\$48.3	\$32.0	\$80.3
	=====	=====	=====
Earnings per share	\$ .14	\$ .10	\$ .24
	=====	=====	=====

UNISYS CORPORATION  
RECONCILIATION OF GAAP TO NON-GAAP  
SEGMENT RESULTS OF OPERATIONS  
(Millions)

	Three Months Ended June 30, 2005		
	As Reported	Less Pension Expense	Without Pension Expense
<b>Services Segment</b>			
Total revenue	\$1,240.9		\$1,240.9
Gross profit	151.1	(\$31.1)	182.2
% of revenue	12.2%		14.7%
Operating income (loss)	(46.4)	(38.5)	(7.9)
% of revenue	-3.7%		-0.6%
<b>Technology Segment</b>			
Total revenue	270.3		270.3
Gross profit	120.5	(0.9)	121.4
% of revenue	44.6%		44.9%
Operating income (loss)	(12.9)	(7.3)	(5.6)
% of revenue	-4.8%		-2.1%
<b>Total Company</b>			
Total revenue	1,435.5		1,435.5
Gross profit	277.4	(32.0)	309.4
% of revenue	19.3%		21.6%
Operating income (loss)	(56.6)	(45.8)	(10.8)
% of revenue	-3.9%		-0.8%

	Three Months Ended June 30, 2004		
	As Reported	Less Pension Expense	Without Pension Expense
<b>Services Segment</b>			
Total revenue	\$1,163.3		\$1,163.3
Gross profit	214.9	(\$17.4)	232.3
% of revenue	18.5%		20.0%
Operating income	8.2	(21.1)	29.3
% of revenue	0.7%		2.5%
<b>Technology Segment</b>			
Total revenue	282.1		282.1
Gross profit	150.4	(0.4)	150.8
% of revenue	53.3%		53.5%
Operating income	15.1	(3.7)	18.8
% of revenue	5.4%		6.7%
<b>Total Company</b>			
Total revenue	1,388.1		1,388.1
Gross profit	367.1	(17.8)	384.9
% of revenue	26.4%		27.7%
Operating income	22.9	(24.8)	47.7
% of revenue	1.6%		3.4%

UNISYS CORPORATION  
RECONCILIATION OF GAAP TO NON-GAAP  
SEGMENT RESULTS OF OPERATIONS  
(Millions)

	Six Months Ended June 30, 2005		
	As Reported	Less Pension Expense	Without Pension Expense
	-----	-----	-----
<b>Services Segment</b>			
Total revenue	\$2,353.4		\$2,353.4
Gross profit	273.3	(\$62.9)	336.2
% of revenue	11.6%		14.3%
Operating income (loss)	(121.5)	(77.9)	(43.6)
% of revenue	-5.2%		-1.9%
<b>Technology Segment</b>			
Total revenue	584.3		584.3
Gross profit	270.2	(1.9)	272.1
% of revenue	46.2%		46.6%
Operating income	6.4	(14.7)	21.1
% of revenue	1.1%		3.6%
<b>Total Company</b>			
Total revenue	2,802.1		2,802.1
Gross profit	537.7	(64.8)	602.5
% of revenue	19.2%		21.5%
Operating income (loss)	(122.8)	(92.6)	(30.2)
% of revenue	-4.4%		-1.1%

	Six Months Ended June 30, 2004		
	As Reported	Less Pension Expense	Without Pension Expense
	-----	-----	-----
<b>Services Segment</b>			
Total revenue	\$2,333.1		\$2,333.1
Gross profit	437.8	(\$32.6)	470.4
% of revenue	18.8%		20.2%
Operating income	37.4	(40.4)	77.8
% of revenue	1.6%		3.3%
<b>Technology Segment</b>			
Total revenue	620.9		620.9
Gross profit	314.2	(0.7)	314.9
% of revenue	50.6%		50.7%
Operating income	44.3	(6.6)	50.9
% of revenue	7.1%		8.2%
<b>Total Company</b>			
Total revenue	2,851.0		2,851.0
Gross profit	758.6	(33.3)	791.9
% of revenue	26.6%		27.8%
Operating income	81.7	(47.0)	128.7
% of revenue	2.9%		4.5%



UNISYS CORPORATION  
RECONCILIATION OF GAAP TO NON-GAAP  
FORWARD-LOOKING ESTIMATED EARNINGS (LOSS) PER SHARE

	Three Months Ending 9/30/2005 -----	Twelve Months Ending 12/31/2005 -----
Earnings (loss) per share- on a GAAP basis	(.05)-(.03)	(.03)-.02
Add back estimated pension expense, net of tax	.09 -----	.36 -----
Earnings per share- on a NON-GAAP basis (excluding pension expense)	.04 - .06 =====	.33 - .38 =====

NOTE: See section in press release entitled  
"Forward-Looking Statements".