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 September 30, 2002

[ ] 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 September 30, 2002: 324,475,589.

Part I - FINANCIAL INFORMATION
Item 1. Financial Statements.

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEET
(Millions)

	September 30, 2002 (Unaudited)	December 31, 2001
Assets		
Current assets		
Cash and cash equivalents	$ 166.2	$ 325.9
Accounts and notes receivable, net	901.7	1,093.7
Inventories		
Parts and finished equipment	172.8	201.6
Work in process and materials	84.7	144.2
Deferred income taxes	345.1	342.6
Other current assets	85.8	96.1
Total	1,756.3	2,204.1
Properties	1,478.3	1,460.4
Less-Accumulated depreciation	891.6	910.8
Properties, net	586.7	549.6
Investments at equity	176.9	212.3

Marketable software, net	302.8	287.9
Prepaid pension cost	1,375.8	1,221.0
Deferred income taxes	747.8	747.8
Goodwill	158.5	159.0
Other long-term assets	375.7	387.4
Total	$5,480.5	$5,769.1
Liabilities and stockholders' equity		
Current liabilities		
Notes payable	$ 112.6	$ 78.9
Current maturities of long-term debt	1.9	2.2
Accounts payable	455.8	694.9
Other accrued liabilities	1,159.3	1,302.9
Income taxes payable	241.6	234.6
Total	1,971.2	2,313.5
Long-term debt	748.9	745.0
Other long-term liabilities	548.8	597.9
Stockholders' equity		
Common stock, shares issued: 2002, 326.4; 2001,322.5	3.3	3.2
Accumulated deficit	(762.6)	(896.5)
Other capital	3,750.7	3,712.8
Accumulated other comprehensive loss	(779.8)	(706.8)
Stockholders' equity	2,211.6	2,112.7
Total	$5,480.5	$5,769.1

See notes to consolidated financial statements.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2002	2001	2002	2001
Revenue	$1,332.3	$1,376.0	$4,054.6	$4,461.2
Costs and expenses				
Cost of revenue	929.3	996.1	2,857.8	3,256.3
Selling, general and administrative	241.3	262.7	732.2	784.4
Research and development expenses	65.5	73.4	192.6	224.6
	1,236.1	1,332.2	3,782.6	4,265.3
Operating income	96.2	43.8	272.0	195.9
Interest expense	17.6	16.5	53.2	50.0
Other income (expense), net	9.5	3.9	(18.9)	32.6
Income before income taxes	88.1	31.2	199.9	178.5
Provision for income taxes	29.1	10.3	66.0	59.0
Income before extraordinary item	59.0	20.9	133.9	119.5
Extraordinary item				(17.2)
Net income	$ 59.0	$ 20.9	$ 133.9	$ 102.3
Earnings per share				
Basic				
Before extraordinary item	$ .18	$ .07	$ .41	$ .37
Extraordinary item				(.05)
Total	$ .18	$ .07	$ .41	$ .32
Diluted				
Before extraordinary item	$ .18	$ .07	$ .41	$ .37
Extraordinary item				(.05)
Total	$ .18	$ .07	$ .41	$ .32

See notes to consolidated financial statements.

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

	Nine Months Ended September 30 2002	Nine Months Ended September 30 2001
Cash flows from operating activities		
Income before extraordinary item	$ 133.9	$ 119.5
Add (deduct) items to reconcile income before extraordinary item to net cash provided by (used for) operating activities:		
Extraordinary item		(17.2)
Depreciation	111.7	100.6
Amortization:		
Marketable software	90.1	88.3
Deferred outsourcing contract costs	14.1	9.5
Goodwill		12.5
(Increase) in deferred income taxes, net	(2.5)	(3.5)
Decrease in receivables, net	208.0	161.0
Decrease in inventories	88.2	27.0
(Decrease) in accounts payable and other accrued liabilities	(375.8)	(522.5)
Increase (decrease) in income taxes payable	7.0	(21.0)
Increase(decrease) in other liabilities	(33.3)	202.7
(Increase) in other assets	(178.8)	(225.8)
Other	7.4	4.2
Net cash provided by (used for) operating activities	70.0	(64.7)
Cash flows from investing activities		
Proceeds from investments	2,360.1	1,976.6
Purchases of investments	(2,384.0)	(1,967.5)
Investment in marketable software	(105.0)	(100.0)
Capital additions of properties	(151.8)	(134.8)
Purchases of businesses	(4.8)	(2.2)
Net cash used for investing activities	(285.5)	(227.9)
Cash flows from financing activities		
Net proceeds from short-term borrowings	33.8	68.9
Proceeds from employee stock plans	21.9	26.2
Payments of long-term debt	(1.6)	(354.3)
Proceeds from issuance of long-term debt		389.9
Net cash provided by financing activities	54.1	130.7
Effect of exchange rate changes on cash and cash equivalents	1.7	3.6
Decrease in cash and cash equivalents	(159.7)	(158.3)
Cash and cash equivalents, beginning of period	325.9	378.0
Cash and cash equivalents, end of period	$ 166.2	$ 219.7

See notes to consolidated financial statements.

UNISYS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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 and nine months ended September 30, 2002 and 2001 (dollars in millions, shares in thousands):

	Three Months Ended September 30		Nine Months Ended September 30	
	2002	2001	2002	2001
Basic Earnings Per Share				
Income before extraordinary item	$ 59.0	$ 20.9	$ 133.9	$ 119.5
Extraordinary item				(17.2)
Net income	$ 59.0	$ 20.9	$ 133.9	$ 102.3
Weighted average shares	324,075	318,761	322,792	317,576
Basic earnings per share				
Before extraordinary item	$ .18	$ .07	$ .41	$ .37
Extraordinary item				(.05)
Total	$ .18	$ .07	$ .41	$ .32
Diluted Earnings Per Share				
Income before extraordinary item	$ 59.0	$ 20.9	$ 133.9	$ 119.5
Extraordinary item				(17.2)
Net income	$ 59.0	$ 20.9	$ 133.9	$ 102.3
Weighted average shares	324,075	318,761	322,792	317,576
Plus incremental shares from assumed exercise of employee stock plans	594	1,394	1,287	1,951
Adjusted weighted average shares	324,669	320,155	324,079	319,527
Diluted earnings per share				
Before extraordinary item	$ .18	$ .07	$ .41	$ .37
Extraordinary item				(.05)
Total	$ .18	$ .07	$ .41	$ .32

At September 30, 2002, 36.6 million shares related to employee stock plans were not included in the computation of diluted earnings per share because the option prices are above the average market price of the company's common stock.

b. Effective January 1, 2002, the company adopted Statement of Financial Accounting Standards ("SFAS") No. 142 "Goodwill and Other Intangible Assets." SFAS No. 142 no longer permits the amortization of goodwill and indefinitelived intangible assets. Instead, these assets must be reviewed annually for impairment in accordance with this statement. SFAS 142 requires the company to perform a transitional impairment test of its goodwill as of January 1, 2002, as well as perform impairment tests on an annual basis and whenever events or circumstances occur indicating that the goodwill may be impaired. The company performed the transitional impairment test of goodwill as of January 1, 2002, which indicated that the company's goodwill was not impaired.

During the nine months ended September 30, 2002, there was an increase in goodwill of $3.0 million related to an immaterial acquisition. All other changes were attributable to foreign currency translation adjustments. Goodwill as of September 30, 2002 was allocated by segment as follows: Technology - $117.2 million; Services - $41.3 million.

The company's net income and earnings per share for the three and nine months ended September 30, 2002 and 2001, adjusted to exclude goodwill amortization, was as follows (in millions of dollars, except per share amounts):

	Three Months Ended September 30		Nine Months Ended September 30	
	2002	2001	2002	2001
Reported income before extraordinary item	$ 59.0	$ 20.9	$133.9	$119.5
Add back goodwill amortization, net of tax		3.3		10.6
Adjusted income before extraordinary item	$ 59.0	$ 24.2	$133.9	$130.1
Reported net income	$ 59.0	$ 20.9	$133.9	$102.3
Add back goodwill amortization, net of tax		3.3		10.6
Adjusted net income	$ 59.0	$ 24.2	$133.9	$112.9
Earnings per share before extraordinary item				
Basic and diluted earnings per share as reported	$ .18	$ .07	$ .41	$ .37
Goodwill amortization		.01		.03
Basic and diluted earnings per share as adjusted	$ .18	$ .08	$ .41	$ .40
Earnings per share				
Basic and diluted earnings per share as reported	$ .18	$ .07	$ .41	$ .32
Goodwill amortization		.01		.03
Basic and diluted earnings per share as adjusted	$ .18	$ .08	$ .41	$ .35

The company's net income and earnings per share for the three years ended December 31, 2001 adjusted to exclude goodwill amortization was as follows (in millions of dollars, except per share amounts):

	Years Ended December 31,		
	2001	2000	1999
Reported income (loss) available to common stockholders before extraordinary items	$(49.9)	$244.8	$486.1
Add back goodwill amortization, net of tax	14.1	20.1	20.9
Adjusted income (loss) available to common stockholders before extraordinary items	$(35.8)	$264.9	$507.0
Reported income (loss) on common shares	$(67.1)	$225.0	$474.0
Add back goodwill amortization, net of tax	14.1	20.1	20.9
Adjusted income (loss) on common shares	$(53.0)	$245.1	$494.9
Earnings (loss) per share before extraordinary items			
Basic			
As reported	$ (.16)	$ .78	$ 1.69
Goodwill amortization	.04	.06	.07
As adjusted	$ (.12)	$ .84	$ 1.76
Diluted			
As reported	$ (.16)	$ .77	$ 1.63
Goodwill amortization	.04	.06	.07
As adjusted	$ (.12)	$ .83	$ 1.70
Earnings (loss) per share			
Basic			
As reported	$ (.21)	$ .72	$ 1.65
Goodwill amortization	.04	.06	.07
As adjusted	$ (.17)	$ .78	$ 1.72
Diluted			
As reported	$ (.21)	$ .71	$ 1.59
Goodwill amortization	.04	.06	.07
As adjusted	$ (.17)	$ .77	$ 1.66

c. The company has two business segments: Services and Technology. Revenue classifications by segment are as follows: Services - systems integration and consulting, outsourcing, network services, and core maintenance; Technology - enterprise-class servers and specialized technologies. The accounting policies of each business segment are the same as those followed by the company as a whole. Intersegment sales and transfers are priced as if the sales or transfers were to third parties. The company evaluates business segment performance on operating income exclusive of restructuring charges and unusual and nonrecurring items, which are included in Corporate. All other corporate and centrally incurred costs are allocated to the business segments based principally on assets, revenue, employees, square footage or usage.

A summary of the company's operations by business segment for the three and nine month periods ended September 30, 2002 and 2001 is presented below (in millions of dollars):

	Total	Corporate	Services	Technology
Three Months Ended September 30, 2002				
Customer revenue	$1,332.3		$1,016.3	$ 316.0
Intersegment		$(69.4)	6.5	62.9
Total revenue	$1,332.3	$(69.4)	$1,022.8	$ 378.9
Operating income (loss)	$ 96.2	$ -	$ 57.9	$ 38.3
Three Months Ended September 30, 2001				
Customer revenue	$1,376.0		$1,051.3	$ 324.7
Intersegment		$(102.0)	20.3	81.7
Total revenue	$1,376.0	$(102.0)	$1,071.6	$ 406.4
Operating income(loss)	$ 43.8	$(10.0)	$ 23.5	$ 30.3
Nine Months Ended September 30, 2002				
Customer revenue	$4,054.6		$3,104.8	$ 949.8
Intersegment		$(233.0)	32.2	200.8
Total revenue	$4,054.6	$(233.0)	$3,137.0	$1,150.6
Operating income (loss)	$ 272.0	$(15.0)	$ 171.5	$ 115.5
Nine Months Ended September 30, 2001				
Customer revenue	$4,461.2		$3,311.7	$1,149.5
Intersegment		$(267.0)	51.8	215.2
Total revenue	$4,461.2	$(267.0)	$3,363.5	$1,364.7
Operating income (loss)	$ 195.9	$(29.6)	$ 60.4	$ 165.1

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Total segment operating income	$ 96.2	$ 53.8	$287.0	$225.5
Interest expense	(17.6)	(16.5)	(53.2)	(50.0)
Other income (expense), net	9.5	3.9	(18.9)	32.6
Corporate and eliminations		(10.0)	(15.0)	(29.6)
Total income before income taxes	$ 88.1	$ 31.2	$199.9	$178.5

d. Comprehensive income for the three and nine months ended September 30, 2002 and 2001 includes the following components (in millions of dollars):

	Three Months Ended September 30, 2002	Three Months Ended September 30, 2001	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
Net income	$ 59.0	$ 20.9	$133.9	$102.3
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 of tax of $.5, $(2.3), $(1.9) and $2.1	.8	(4.2)	(3.6)	3.9
Reclassification adjustments, net of tax of $.2, $(.9), $(.4) and $(3.5)	.4	(1.6)	(.9)	(6.5)
Foreign currency translation adjustments, net of tax of $0	(50.2)	(6.2)	(68.5)	(67.0)
Total other comprehensive income (loss)	(49.0)	(12.0)	(73.0)	(66.3)
Comprehensive income	$ 10.0	$ 8.9	$ 60.9	$ 36.0

Accumulated other comprehensive income (loss) as of December 31, 2001 and September 30, 2002 is as follows (in millions of dollars):

	Total	Translation Adjustments	Cash Flow Hedges
Balance at December 31, 2000	$(643.7)	$(643.7)	
Change during period	(63.1)	(67.5)	$ 4.4
Balance at December 31, 2001	(706.8)	(711.2)	4.4
Change during period	(73.0)	(68.5)	(4.5)
Balance at September 30, 2002	$(779.8)	$(779.7)	$(.1)

e. In response to the weak economic environment in 2001, the company took actions to reduce its cost structure. In the fourth quarter of 2001, the company recorded a pretax charge of $276.3 million, or $.64 per share, primarily for a work-force reduction of approximately 3,750 people (1,700 in the United States and 2,050 outside the United States). Of the total, 1,910 people left the company in 2001, which included 764 people who accepted an early retirement program in the United States. For those employees who accepted the early retirement program, cash requirements were provided through the company's pension plan. Cash expenditures in 2001 related to the involuntary reductions were $23.3 million. These activities did not significantly affect the company's operations while they were ongoing. A further breakdown of the individual components of these costs follows:

($ in Millions)	Headcount	Work-Force Reductions(1) Total	U.S.	Int'l	Idle Lease Costs	Other(2)
Work-force reductions(1)						
Early retirement	764	$ 58.8	$ 58.8			
Involuntary reductions	3,001	145.9	18.8	$127.1		
Subtotal	3,765	204.7	77.6	127.1		
Other		71.6			$ 29.5	$ 42.1
Total charge	3,765	276.3	77.6	127.1	29.5	42.1
Utilized	(1,910)	(127.2)	(62.5)	(22.6)		(42.1)
Balance at Dec. 31, 2001	1,855	149.1	15.1	104.5	29.5	-
Utilized	(1,698)	(79.9)	(12.6)	(62.7)	(4.6)	
Additional provisions	568	20.2	1.7	17.1	1.4	
Reversal of excess reserves	(306)	(15.9)	(4.3)	(8.4)	(3.2)	
Other(3)		14.4	2.3	14.2	(2.1)	
Balance at Sept. 30, 2002	419	$ 87.9	$ 2.2	$ 64.7	$ 21.0	$ -
Expected future cash utilization:						
2002 fourth quarter		$ 28.7	$ 2.0	$ 23.1	$ 3.6	
2003 and thereafter		59.2	.2	41.6	17.4	

(1)Includes severance, notice pay, medical and other benefits.
(2)Includes product and program discontinuances, principally representing a provision for asset write-offs.
(3)Changes in estimates and translation adjustments.

Most of the 2001 fourth-quarter charges were related to work-force reductions ($204.7 million), principally severance costs. Other employee-related costs are not significant. Approximately $58.8 million of this total was funded from the company's U.S. pension plan. The remainder of the cost related to work-force reductions as well as idle lease costs, discussed below, is being funded from the company's operating cash flow. The charge related to idle lease costs was $29.5 million and relates to contractual obligations (reduced by estimated sublease income) existing under long-term leases of vacated facilities. Estimates of the amounts and timing of sublease income were based on discussions with real estate brokers that considered the marketability of the individual property involved. The charge for product and program discontinuances was $42.1 million and principally represented capitalized marketable software and inventory related to products or programs that were discontinued at December 31, 2001. These actions have lowered the company's cost base (principally employee-related costs), thereby making the company better able to compete in the marketplace.

Cash expenditures related to the 2001 and prior-year restructuring charges were approximately $87 million in the nine months ended September 30, 2002 compared to $41 million for the prior-year period, and are expected to be approximately $31 million (which includes approximately $2 million related to restructuring charges taken prior to 2001) for the remainder of 2002 and $69 million (which includes approximately $10 million related to restructuring charges taken prior to 2001) in total for all subsequent years, principally for work-force reductions and idle lease costs. Personnel reductions in the first nine months of 2002 related to these restructuring actions were 1,698 and are expected to be 323 for the remainder of the year.

During the nine months ended September 30, 2002, the company reduced its accrued workforce reserve by $12.7 million. This reduction related to 306 employees who were designated for involuntary termination but were retained as a result of job positions that became available due to voluntary terminations or acceptance of alternative positions within the company. In addition, given the continuing weak economic environment, the company identified new restructuring activities and recorded, in the second quarter of 2002, an additional provision of $20.2 million, principally for a workforce reduction of 568 people.

f. The amount credited to stockholders' equity for the income tax benefit related to the company's stock plans for the nine months ended September 30, 2002 and 2001 was $3.1 million and $4.1 million, respectively. The company expects to realize these tax benefits on future Federal income tax returns.

g. In April 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145 rescinds SFAS No. 4 which required that all gains and losses from extinguishment of debt be reported as an extraordinary item. SFAS No. 145 also amends SFAS No. 13, Accounting for Leases," in respect to sale-leaseback transactions.

The provisions of SFAS No. 145 related to the rescission of SFAS No. 4 must be applied in fiscal years beginning after May 15, 2002. The company will adopt this statement effective January 1, 2003. Any gain or loss on extinguishment of debt that was classified as an extraordinary item in prior periods that does not meet the criteria of Opinion 30 for classification as an extraordinary item will be reclassified from extraordinary item to other income (expense), net. Adoption of SFAS No. 145 will have no effect on the company's consolidated financial position, consolidated net income or liquidity.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 replaces previous accounting guidance provided by EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)" and will be effective for the company for exit or disposal activities initiated after December 31, 2002. The company does not believe that adoption of this statement will have a material impact on its consolidated financial position, consolidated results of operations, or liquidity.

h. Certain prior-year amounts have been reclassified to conform with the 2002 presentation.

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

Results of Operations

For the three months ended September 30, 2002, the company reported net income of $59.0 million, or $.18 per share, compared to $20.9 million, or $.07 per share, for the three months ended September 30, 2001.

Total revenue for the quarter ended September 30, 2002 was $1.33 billion, down 3% from revenue of $1.38 billion for the quarter ended September 30, 2001. Both Services revenue of $1.02 billion and Technology revenue of $316 million declined 3% from the prior-year period.

U.S. revenue increased 3% in the third quarter to $619 million from $599 million in the year-ago period, while revenue in international markets decreased 8% to $713 million from $777 million in the year-ago period. Currency changes had a negligible impact on revenue in the quarter when compared to the prior-year quarter, with currency strength in Europe offsetting currency weakness in Latin America.

Total gross profit was 30.3% in the third quarter of 2002 compared to 27.6% in the year-ago period. The increase was principally due to the company's focus on higher value-added business opportunities and continued tight cost controls.

For the three months ended September 30, 2002, selling, general and administrative expenses were $241.3 million (18.1% of revenue) compared to $262.7 million (19.1% of revenue) for the three months ended September 30, 2001. The decline in selling, general and administrative expenses was principally driven by the company's cost reduction actions.

Research and development ("R&D") expense was $65.5 million compared to $73.4 million a year earlier. The lower level of R&D reflects changes that the company has made to improve efficiencies, to consolidate R&D activities in systems integration to improve synergies, and to make use of lower-cost offshore resources for software support. Although the amount of R&D is down, the company continues to invest in high-end CMP server technology and in key programs within its industry practices.

For the third quarter of 2002, the company reported an operating income percent of 7.2% compared to 3.2% for the third quarter of 2001.

The company has two business segments: Services and Technology. Revenue classifications by segment are as follows: Services - systems integration and consulting, outsourcing, network services, and core maintenance; Technology - enterprise-class servers and specialized technologies. The accounting policies of each business segment are the same as those followed by the company as a whole. Intersegment sales and transfers are priced as if the sales or transfers were to third parties. The company evaluates business segment performance on operating income exclusive of restructuring charges and unusual and nonrecurring items, which are included in Corporate. All other corporate and centrally incurred costs are allocated to the business segments based principally on assets, revenue, employees, square footage or usage. The following gross profit percent and operating income percent are as a percent of total revenue.

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

	Total	Eliminations	Services	Technology
Three Months Ended September 30, 2002				
Customer revenue	$1,332.3		$1,016.3	$ 316.0
Intersegment		$(69.4)	6.5	62.9
Total revenue	$1,332.3	$(69.4)	$1,022.8	$ 378.9
Gross profit percent	30.3%		22.5%	46.4%
Operating income percent	7.2%		5.7%	10.1%
Three Months Ended September 30, 2001				
Customer revenue	$1,376.0		$1,051.3	$324.7
Intersegment		$(102.0)	20.3	81.7
Total revenue	$1,376.0	$(102.0)	$1,071.6	$406.4
Gross profit percent	27.6%		20.8%	42.1%
Operating income percent	3.2%		2.2%	7.5%

In the Services segment, customer revenue was $1.02 billion, down 3% from $1.05 billion in the year-ago period, as a 12% increase in outsourcing ($371 million in the third quarter of 2002 compared to $332 million in the prior period) was more than offset by a 12% decline in network services ($199 million in the current period compared to $227 million in the prior-year period), a 12% decline in systems integration ($308 million in the current period compared to $348 million in the prior period), and a 4% decline in core maintenance revenue ($139 million in the current period compared to $145 million in the prior period). Within the Services segment, the year-over-year change in revenue reflects market conditions. Market demand in the Services segment currently varies by revenue classification. Demand for services that drive short-term cost and process efficiencies (outsourcing) remains strong, while market demand for project-based work (systems integration and network services) remains weak. The growth in outsourcing revenue, which was particularly driven by growth in business process outsourcing, as well as the decline in both systems integration and network services in the quarter were reflective of these market conditions. Additionally, the core maintenance decline in the quarter is reflective of the long-term industry trend for reduction in maintenance, as the underlying equipment reliability has improved over time. The Services segment gross profit percent increased to 22.5% in the current quarter from 20.8% in the prior period. The Services segment's operating profit percent increased to 5.7% in the current quarter compared to 2.2% in the year-ago period. The company achieved these margin improvements by executing its strategy of selective pursuit of higher value-added business opportunities, growing its annuity-based outsourcing business and resizing its workforce to meet the market demand.

In the Technology segment, customer revenue declined 3% to $316 million in the third quarter of 2002 from $325 million in the prior-year period. Demand in the Technology segment remained weak industry-wide as customers deferred spending on new computer hardware and software. Sales of enterprise-class servers declined 7% to $206 million from $222 million in the year-ago quarter, primarily reflecting lower ClearPath server sales. Sales of specialized technology products increased 8% to $110 million in the third quarter of 2002 from $103 million in the third quarter of 2001, principally driven by the payment systems business.

The gross profit percent in the Technology segment was 46.4% in the current quarter compared to 42.1% in the prior period, and operating profit in this segment increased to 10.1% in the current quarter from 7.5% in 2001, primarily reflecting, within ClearPath revenue, a higher proportion of high-end, higher margin products, as well as increased demand for high-end payment systems products.

Interest expense for the three months ended September 30, 2002 was $17.6 million compared to $16.5 million for the three months ended September 30, 2001.

Other income (expense), net was income of $9.5 million in the current quarter compared to income of $3.9 million in the year-ago quarter. The principal reason for the increase was foreign exchange gains, principally in Latin America, of $9.6 million in the current period compared to $3.1 million of foreign exchange gains in the year-ago period.

Income before income taxes was $88.1 million in the third quarter of 2002 compared to $31.2 million last year. The provision for income taxes was $29.1 million in the current period compared to $10.3 million in the year-ago period. The effective tax rate in both periods was 33%.

Pension income for the three months ended September 30, 2002 was approximately $37 million compared to approximately $42 million for the three months ended September 30, 2001. At the beginning of each year, accounting rules require that the company establish an expected long-term rate of return on its pension plan assets. The principal reason for the decline in pension income was that, effective January 1, 2002, the company reduced its expected long-term rate of return on plan assets for its U.S. pension plan to 9.5% from 10.0%. This change will cause 2002 pension income in the U.S. to decline by approximately $24 million from the 2001 amount. The company records pension income or expense, as well as other employee-related costs such as FICA and medical insurance costs, in operating income in the following income statement categories: cost of sales, selling, general and administrative expenses, and research and development expenses. The amount allocated to each line is based on where the salaries of the active employees are charged.

For the nine months ended September 30, 2002, net income was $133.9 million, or $.41 per share, compared to net income of $102.3 million, or $.32 per share, last year. The prior-year period included an extraordinary item for the early extinguishment of debt of $17.2 million, or $.05 per share. Excluding this item, income in the prior-year period was $119.5 million, or $.37 per share. Revenue for the nine months ended September 30, 2002 was $4.05 billion, down 9% from $4.46 billion for the nine months ended September 30, 2001. Other income (expense), net for the nine months ended September 30, 2002 was an expense of $18.9 million compared to income of $32.6 million for the nine months ended September 30, 2001. The decline was principally due to foreign exchange losses in the current period of $1.5 million compared to foreign exchange gains of $25.2 million in the prior year and equity losses of $12.8 million in the current period compared to equity gains of $13.0 million last year.

Financial Condition

Cash and cash equivalents at September 30, 2002 were $166.2 million compared to $325.9 million at December 31, 2001.

For the nine months ended September 30, 2002, cash provided by operations was $70.0 million compared to cash used of $64.7 million for the nine months ended September 30, 2001. Cash expenditures in the nine months ended September 30, 2002 related to prior-year restructuring charges (which are included in operating activities) were approximately $87 million compared to $41 million in the prior-year period. These expenditures are expected to be approximately $31 million for the remainder of 2002 and $69 million in total for all subsequent years, principally for work-force reductions and idle lease costs. Personnel reductions in the first nine months of 2002 relating to these restructuring actions were 1,698 and are expected to be 323 for the remainder of the year. See Note e of the Notes to Consolidated Financial Statements.

Cash used for investing activities for the nine months ended September 30, 2002 was $285.5 million compared to $227.9 million during the nine months ended September 30, 2001. The increase was principally due to net purchases of investments (derivative financial instruments used to manage the company's exposure to market risks from changes in foreign currency exchange rates) of $23.9 million for the nine months ended September 30, 2002 compared to net proceeds from investments of $9.1 million in the prior-year period, as well as higher current period additions to properties, principally related to the outsourcing business.

Cash provided by financing activities during the nine months ended September 30, 2002 was $54.1 million compared to cash provided of $130.7 million in the prior year. The decrease was due to lower net proceeds from short-term borrowings for the nine months ended September 30, 2002 of $33.8 million, compared to net proceeds from short-term borrowings of $68.9 million in the prior-year period. In addition, during the nine months ended September 30, 2001, the company had net proceeds from issuance of long-term debt of $35.6 million compared to a net payment of $1.6 million in the current period.

At September 30, 2002, total debt was $863.4 million, an increase of $37.3 million from December 31, 2001. The debt to capital ratio was 28% at September 30, 2002 and December 31, 2001.

The company has a $450 million credit agreement that expires March 2004. As of September 30, 2002, there were no borrowings under this facility. Borrowings under the agreement bear interest based on the then current LIBOR or prime rates and the company's credit rating. The credit agreement contains financial and other covenants, including maintenance of certain financial ratios, a minimum level of net worth and limitations on certain types of transactions, which could reduce the amount the company is able to borrow. Events of default under the credit agreement include failure to perform covenants, material adverse change, change of control and default under other debt aggregating at least $25 million. If an event of default were to occur under the credit agreement, the lenders would be entitled to declare all amounts borrowed under it immediately due and payable. The occurrence of an event of default under the credit agreement could also cause the acceleration of obligations under certain other agreements and the termination of the company's U.S. trade accounts receivable facility described below.

The company and certain international subsidiaries have access to certain uncommitted lines of credit from various banks. Other sources of short-term funding are operational cash flows, including customer prepayments, and the company's U.S. trade accounts receivable facility. Using this facility, the company sells, on an on-going basis, up to $225 million of its eligible U.S. trade accounts receivable through a wholly owned subsidiary, Unisys Funding Corporation I. At September 30, 2002, receivables of $177 million were sold and therefore removed from the accompanying consolidated balance sheet. The facility is renewable annually at the purchasers' option and expires in December 2003.

At September 30, 2002, the company has met all of the covenants and conditions under its various lending and funding agreements. Since the company believes that it will continue to meet these covenants and conditions, the company believes that it has adequate sources and availability of short-term funding to meet its expected cash requirements.

The company may, from time to time, redeem, tender for, or repurchase its 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 $1.5 billion of debt or equity securities, which enables the company to be prepared for future market opportunities.

At September 30, 2002, the company had deferred tax assets in excess of deferred tax liabilities of $1,384 million. For the reasons cited below, management determined that it is more likely than not that $1,037 million of such assets will be realized, therefore resulting in a valuation allowance of $347 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 $3.2 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.

Accounting rules require that a company determine the fair value of its pension plan assets as well as the discount rate to be used to calculate the present value of plan liabilities as of the end of its fiscal year, or if used consistently from year to year, as of a date not more than three months prior to that date. The company has chosen December 31 as its measurement date. The discount rate is an estimate of the interest rate at which the pension benefits could be effectively settled. In estimating the discount rate, the company looks to rates of return on high quality, fixed income investments currently available and expected to be available during the period to maturity of the pension benefits. The company specifically uses a portfolio of fixed-income securities, which receive at least the second highest rating given by a recognized rating agency. The discount rate is used to calculate the present value of the pension obligation (the accumulated benefit obligation, or "ABO") at a point in time.

Each year, at its normal measurement date (December 31st for the company), accounting rules further require a company to recognize a liability on its balance sheet for each pension plan if the fair value of the assets of that pension plan is less than the ABO. This liability is called a "minimum pension liability" and is recorded as a charge in "accumulated other comprehensive income (loss)" in stockholders' equity. In addition, any prepaid pension assets related to pension plans with a minimum pension liability must be reclassified to stockholders' equity.

Due to declines in the market value of equity securities during the quarter ended September 30, 2002, the ABO (estimated as of December 31, 2002) of the company's U.S. defined benefit pension plan, as well as certain foreign defined benefit pension plans, exceeded the fair value of plan assets by approximately $600 million. Should the actual ABO at December 31, 2002 exceed the fair market value of plan assets at December 31, 2002, the company would be required to record an additional minimum pension liability to the extent of such difference. However, if the fair value of plan assets were to increase or long-term interest rates were to increase to the extent that the fair value of the assets for such defined benefit pension plans exceeded the ABO at December 31, 2002, no additional minimum pension liability would be required.

Assuming that the December 31, 2002 pension asset and liability amounts were the same as at September 30, 2002, the company would record a charge to stockholders' equity, of approximately $1.3 billion, representing the net of tax impact of recording the minimum pension liability for the U.S. and certain foreign pension plans and reclassifying the prepaid pension assets related to these plans. This accounting would have no effect on the company's net income, liquidity or cash flows. Financial covenants in the company's credit agreement specifically exclude the effects of the charge to stockholders' equity caused by recording a minimum pension liability. If at the following year-end (December 31, 2003), the fair value of the pension plan assets exceeds the ABO, the charge to stockholders' equity would be reversed.

Stockholders' equity increased $98.9 million during the nine months ended September 30, 2002, principally reflecting net income of $133.9 million, $34.8 million for issuance of stock under stock option and other plans, and $3.1 million of tax benefits related to employee stock plans, partially offset by currency translation of $68.6 million.

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. These other factors include, but are not limited to, those discussed below.

The company's business is affected by changes in general economic and business conditions. It also could be affected by acts of war, terrorism or natural disasters. During 2002, the company is facing a very challenging economic environment. In this environment, many organizations are delaying planned purchases of information technology products and services. If the level of demand for the company's products and services declines in the future, the company's business could be adversely affected.

The information services and technology markets in which the company operates include a large number of companies vying for customers and market share both domestically and internationally. The company's competitors include computer hardware manufacturers, software providers, systems integrators, consulting and other professional services firms, outsourcing providers, and network services providers. Some of the company's competitors may develop competing products and services that offer better price-performance or that reach the market in advance of the company's offerings. Some competitors also have or may develop greater financial and other resources than the company, with enhanced ability to compete for market share generally, in some instances through significant economic incentives to secure contracts. Some may also be better able to compete for skilled professionals. Any of this could have an adverse effect on the company's business. Future results will depend on the company's ability to mitigate the effects of aggressive competition on revenues, pricing and margins and on the company's ability to attract and retain talented people.

The company operates in a highly volatile industry characterized by rapid technological change, evolving technology standards, short product life-cycles and continually changing customer demand patterns. Future success will depend in part on the company's ability to anticipate and respond to these market trends and to design, develop, introduce, deliver, or obtain new and innovative products and services on a timely and cost-effective basis. The company may not be successful in anticipating or responding to changes in technology, industry standards or customer preferences, and the market may not demand or accept its services and product offerings. In addition, products and services developed by competitors may make the company's offerings less competitive.

The company's future results will depend in part on its ability to accelerate growth in outsourcing and managed services. The company's outsourcing contracts are multi-year engagements under which the company takes over management of a client's technology operations, business processes or networks. The company will need to maintain a strong financial position in order to grow its outsourcing business. In a number of these arrangements, the company hires certain of its clients' employees and may become responsible for the related employee obligations, such as pension and severance commitments.

In addition, system development activity on outsourcing contracts may require the company to make significant up-front investments. As long-term relationships, these outsourcing contracts provide a base of recurring revenue. However, in the early phases of these contracts, gross margins may be lower than in later years when the work force and facilities have been rationalized for efficient operations and an integrated systems solution has been implemented.

Future results will also depend in part on the company's ability to drive profitable growth in systems integration and consulting. The company's systems integration and consulting business has been adversely affected by the current economic slowdown. In this economic environment, customers have been delaying systems integration projects. The company's ability to grow profitably in this business will depend in part on an improvement in economic conditions and a pick-up in demand for systems integration projects. It will also depend on the success of the actions the company has taken to enhance the skills base and management team in this business and to refocus the business on integrating best-of-breed, standards-based solutions to solve client needs. In addition, profit margins in this business are largely a function of the rates the company is able to charge for services and the chargeability of its professionals. If the company is not able to maintain the rates it charges or appropriate chargeability for its professionals, profit margins will suffer. The rates the company is able to charge for services are affected by a number of factors, including: clients' perception of the company's ability to add value through its services; introduction of new services or products by the company or its competitors; pricing policies of competitors; and general economic conditions. Chargeability is also affected by a number of factors, including: the company's ability to transition employees from completed projects to new engagements; and its ability to forecast demand for services and thereby maintain an appropriate head count.

Future results will also depend in part on market acceptance of the company's high-end enterprise servers. In its technology business, the company is focusing its resources on high-end enterprise servers based on its Cellular MultiProcessing (CMP) architecture. The company's CMP servers are designed to provide mainframe-class capabilities with compelling price-performance by making use of standards-based technologies such as Intel chips and Microsoft operating system software. Recently the company has transitioned both its legacy ClearPath servers and its Intel-based ES7000s to the CMP platform, creating a common platform for all the company's high-end server lines. Future results will depend, in part, on customer acceptance of the new CMP-based ClearPath Plus systems and the company's ability to maintain its installed base for ClearPath, which continues to provide the majority of operating profit in the company's technology business. In addition, future results will depend, in part, on the company's ability to generate new customers and accelerate sales of the lower-margin Intel-based ES7000 line. The company believes there is significant growth potential in the developing market for high-end Intel-based servers running Microsoft operating system software. However, competition in this new market is likely to intensify in coming years, and the company's ability to succeed will depend on its ability to compete effectively against enterprise server competitors with more substantial resources and its ability to achieve market acceptance of the ES7000 technology by clients, systems integrators, and independent software vendors.

A number of the company's long-term contracts for network services, outsourcing, help desk and similar services do not provide for minimum transaction volumes. As a result, revenue levels are not guaranteed. In addition, some of these contracts may permit termination or may impose other penalties if the company does not meet the performance levels specified in the contracts.

Some of the company's systems integration contracts are fixed-priced contracts under which the company assumes the risk for delivery of the contracted services and products at an agreed-upon fixed price. At times the company has experienced problems in performing some of these fixed-price contracts on a profitable basis and has provided periodically for adjustments to the estimated cost to complete them. Future results will depend on the company's ability to perform these services contracts profitably.

The company frequently enters into contracts with governmental entities. Risks and uncertainties associated with these government contracts include the availability of appropriated funds and contractual provisions that allow governmental entities to terminate agreements at their discretion before the end of their terms.

The success of the company's business is dependent on strong, long-term client relationships and on its reputation for responsiveness and quality. As a result, if a client is not satisfied with the company's services or products, its reputation could be damaged and its business adversely affected. In addition, if the company fails to meet its contractual obligations, it could be subject to legal liability, which could adversely affect its business, operating results and financial condition.

The company has commercial relationships with suppliers, channel partners and other parties that have complementary products, services or skills. Future results will depend in part on the performance and capabilities of these third parties, on 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 56% of the company's total revenue derives from international operations. The risks of doing business internationally include foreign currency exchange rate fluctuations, changes in political or economic conditions, trade protection measures, import or export licensing requirements, multiple and possibly overlapping and conflicting tax laws, and weaker intellectual property protections in some jurisdictions.

The company cannot be sure that its services and products do not infringe on the intellectual property rights of third parties, and it may have infringement claims asserted against it or against its clients. These claims could cost the company money, prevent it from offering some services or products, or damage its reputation.

Item 4. Controls and Procedures

Within 90 days prior to the date of filing of this report, the company carried out an evaluation, under the supervision and with the participation of the company's management, including the Chief Executive Officer and the Chief Financial Officer, of the design and operation of the company's disclosure controls and procedures. Based on this evaluation, the company's Chief Executive Officer and Chief Financial Officer concluded that the company's disclosure controls and procedures are effective for gathering, analyzing and disclosing the information the company is required to disclose in the reports it files under the Securities Exchange Act of 1934, within the time periods specified in the SEC's rules and forms. There have been no significant changes in the company's internal controls or in other factors that could significantly affect internal controls subsequent to the date of this evaluation.

Part II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

See Exhibit Index

(b) Reports on Form 8-K

During the quarter ended September 30, 2002, the company filed one Current Report on Form 8-K, dated August 13, 2002, to report under items 7 and 9 of that Form.

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: October 31, 2002

By: /s/ Janet M. Brutschea Haugen

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

By: /s/ Carol S. Sabochick

Carol S. Sabochick
Vice President and
Corporate Controller
(Chief Accounting Officer)

CERTIFICATION

I, Lawrence A. Weinbach, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Unisys Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weakness in internal controls; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: October 31, 2002

/s/ Lawrence A. Weinbach

Name: Lawrence A. Weinbach
Title: Chairman, President and Chief Executive Officer

CERTIFICATION

I, Janet Brutschea Haugen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Unisys Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a. designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weakness in internal controls; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: October 31, 2002

/s/ Janet Brutschea Haugen

Name: Janet Brutschea Haugen
Title: Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
12	Statement of Computation of Ratio of Earnings to Fixed Charges

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

	Nine Months Ended Sept. 30, 2002	Years Ended December 31 2001	2000	1999	1998	1997
Fixed charges						
Interest expense	$ 53.2	$ 70.0	$ 79.8	$127.8	$171.7	$233.2
Interest capitalized during the period	8.4	11.8	11.4	3.6		
Amortization of debt issuance expenses	2.0	2.7	3.2	4.1	4.6	6.7
Portion of rental expense representative of interest	40.4	53.9	42.2	46.3	49.1	51.8
Total Fixed Charges	104.0	138.4	136.6	181.8	225.4	291.7
Earnings						
Income (loss) from continuing operations before income taxes	199.9	(46.5)	379.0	770.3	594.2	(748.1)
Add (deduct) the following:						
Share of loss (income) of associated companies	13.7	(8.6)	(20.5)	8.9	(.3)	5.9
Amortization of capitalized interest	6.1	5.4	2.2			
Subtotal	219.7	(49.7)	360.7	779.2	593.9	(742.2)
Fixed charges per above	104.0	138.4	136.6	181.8	225.4	291.7
Less interest capitalized during the period	(8.4)	(11.8)	(11.4)	(3.6)		
Total earnings (loss)	$315.3	$76.9	$485.9	$957.4	$819.3	$(450.5)
Ratio of earnings to fixed charges	3.03	*	3.56	5.27	3.63	*

* Earnings for the years ended December 31, 2001 and 1997 were inadequate to cover fixed charges by approximately $61.5 million and $742.2 million, respectively.