

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) January 29, 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 January 29, 2008, Unisys Corporation issued a news release to report its financial results for the quarter and year ended December 31, 2007. 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: January 29, 2008

By: /s/ Janet B. Haugen

Janet B. Haugen
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit
No.

99 News Release, dated January 29, 2008, of Unisys Corporation.

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UNISYS ANNOUNCES FOURTH-QUARTER AND FULL-YEAR 2007 FINANCIAL RESULTS

COMPANY REPORTS SIGNIFICANT IMPROVEMENT IN OPERATING PROFIT AND \$247 MILLION IN OPERATING CASH FLOW FOR FOURTH QUARTER OF 2007

BLUE BELL, Pa., January 29, 2008 - Unisys Corporation (NYSE: UIS) today reported \$247 million in fourth-quarter operating cash flow and its highest full-year operating profit since 2003 as the company closed a year of significant progress in its multi-year repositioning program.

Unisys reported fourth-quarter 2007 operating income of \$69.4 million, which included \$55 million of net cost reduction charges and \$11.6 million of retirement-related expense. These results compared with fourth-quarter 2006 operating income of \$68.6 million, which included a \$10 million benefit for changes in estimates for previously recorded cost reduction charges and \$47.6 million of retirement-related expense. Fourth-quarter 2007 operating profit before the impact of these items improved by \$30 million, or 29 percent, year over year.

For the full year of 2007, the company reported operating income of \$85.9 million compared with a full-year 2006 operating loss of \$326.8 million, a year-over-year improvement of \$413 million. The 2007 results include \$105 million of net cost reduction charges and \$82.4 million of retirement-related expense, and the 2006 results include net cost reduction charges of \$316 million and \$153.8 million of retirement-related expense. Before the impact of these items in both years, full-year 2007 operating income improved by \$130 million, or 91 percent, year over year.

Revenue for the fourth quarter of 2007 declined 1 percent to \$1.54 billion from \$1.55 billion in the year-ago quarter. Full-year 2007 revenue declined 2 percent to \$5.65 billion compared with \$5.76 billion in 2006. Foreign currency exchange rates had an approximately 5 percentage-point positive impact on revenue in the quarter and an approximately 4 percentage point positive impact on revenue for the full year.

COMMENTS FROM PRESIDENT AND CEO JOSEPH W. MCGRATH

"In 2007, we rebuilt our profitability to the highest level since 2003," said Joseph W. McGrath, Unisys president and chief executive officer. "By staying focused on implementing the many elements of a complex, multi-year repositioning plan, we closed 2007 with a strong fourth quarter and reported full-year operating profit of \$85.9 million. Excluding cost reduction charges and retirement expense, our operating profit in 2007 increased 91 percent from 2006 levels. We also generated \$247 million in operating cash flow in the fourth quarter, up 48 percent from year-ago levels. This is strong, tangible evidence that our repositioning is working and yielding results.

"Our revenue declined in 2007 as we de-emphasized low-margin, non-strategic areas of the business," McGrath said. "Within our overall revenue base, however, we are seeing a mix change as our strategic programs grow. Collectively, these strategic programs - outsourcing, enterprise security, open source solutions, Microsoft solutions, and real-time infrastructure solutions - now represent the majority of our overall revenue and grew about 10 percent in 2007. As we continue to build out these programs, while further streamlining our operations and reducing costs, we expect to continue our profit improvement in 2008."

FOURTH-QUARTER COMPANY RESULTS

After tax expense, the company reported fourth-quarter 2007 net income of \$13.8 million, or diluted earnings per share of 4 cents, compared with net income of \$21.3 million, or 6 cents per share in the year-ago quarter.

Services orders showed mid single-digit declines in the fourth quarter, driven

by order declines for infrastructure services and systems integration and consulting. Outsourcing orders grew in the quarter. For the full year of 2007, services orders were flat compared with 2006. The company closed 2007 with \$6.9 billion of firm services order backlog, up 4 percent from \$6.6 billion of firm services backlog at year-end 2006.

Revenue in the United States declined 4 percent in the quarter to \$629 million while revenue in international markets increased 1 percent to \$907 million. On a constant currency basis, international revenue declined 8 percent in the quarter.

The company's gross profit margin and operating profit margin in the fourth quarter of 2007 improved to 27.4 percent and 4.5 percent, respectively. These compared with gross and operating profit margins of 24.9 percent and 4.4 percent, respectively, in the fourth quarter of 2006.

FOURTH-QUARTER BUSINESS SEGMENT RESULTS

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

Customer revenue in the company's services segment declined 2 percent in the fourth quarter of 2007 compared with the year-ago period. The company reported continued revenue growth in outsourcing, which was more than offset by revenue declines in other services businesses. Gross profit margin in the services business improved to 19.6 percent compared with 16.9 percent a year ago. Services operating margin improved to 4.5 percent compared with 1.2 percent a year ago.

Customer revenue in the company's technology segment increased 6 percent from the fourth quarter of 2006. Within technology, the company saw strong double-digit revenue growth for its ClearPath enterprise servers. Gross profit margin in the technology business increased to 53.9 percent from 49.0 percent a year ago while operating margin increased to 20.5 percent compared to 13.7 percent in the fourth quarter of 2006.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

Unisys generated \$247 million of cash from operations in the fourth quarter of 2007 compared with \$167 million in the year-ago quarter. The company used approximately \$28 million of cash in the fourth quarter of 2007 for restructuring payments compared to approximately \$88 million in the year-ago period.

Capital expenditures in the fourth quarter of 2007 were \$71 million compared to \$58 million in the year-ago quarter. The increase was due to investments in outsourcing assets related to new outsourcing engagements. After deducting for capital expenditures, Unisys generated \$176 million of free cash in the quarter compared with \$109 million in the fourth quarter of 2006.

The company ended 2007 with \$830 million of cash, which included the proceeds of an offering of \$210 million of 12.5% senior notes placed in the fourth quarter. The company offered the new notes to refinance \$200 million of its 7 7/8% senior notes due 2008. The 7 7/8% senior notes were redeemed on January 11, 2008.

FULL-YEAR 2007 RESULTS

For the year ended December 31, 2007, Unisys reported revenue of \$5.65 billion, a decline of 2 percent from revenue of \$5.76 billion in 2006. Currency had an approximately 4 percentage point positive impact on full-year 2007 revenue.

For the year ended December 31, 2007, Unisys reported a net loss of \$79.1 million, or 23 cents per share. These results included:

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

For the year ended December 31, 2006, Unisys reported a net loss of \$278.7 million, or 81 cents per share. These results included:

- * net pre-tax cost reduction charges of approximately \$316 million;
- * a pre-tax gain of \$149.9 million on the sale of the company's shares in Nihon Unisys Limited; and
- * \$153.8 million of pre-tax retirement-related expense.

CONFERENCE CALL

Unisys will hold a conference call today at 8:15 a.m. EST to discuss its results. The listen-only Webcast, as well as the accompanying presentation materials, can be accessed via a link on the Unisys Investor Web site at www.unisys.com/investor. Following the call, an audio replay of the Webcast, and accompanying presentation materials, can be accessed through the same link.

ABOUT UNISYS

Unisys is a worldwide information technology services and solutions company. We provide consulting, systems integration, outsourcing and infrastructure services, combined with powerful enterprise server technology. We specialize in helping clients use information to create efficient, secure business operations that allow them to achieve their business goals. Our consultants and industry experts work with clients to understand their business challenges and create greater visibility into critical linkages throughout their operations. For more information, visit www.unisys.com

FORWARD-LOOKING STATEMENTS

Any statements contained in this release that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, any projections of earnings, revenues, or other financial items; any statements of the company's plans, strategies or objectives for future operations; statements regarding future economic conditions or performance; and any statements of belief or expectation. All forward-looking statements rely on assumptions and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. 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 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; the company's ability to effectively rightsize its cost structure; the risks of doing business internationally and the potential for infringement claims to be asserted against the company or its clients. 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.: 0129/8854

http://www.unisys.com/about__unisys/news_a_events/01298854.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 (Millions, except per share data)

	Three Months		Year	
	Ended December 31		Ended December 31	
	2007	2006	2007	2006
Revenue				
Services	\$1,267.6	\$1,298.7	\$4,846.7	\$4,917.2
Technology	268.1	253.3	805.8	840.0
	1,535.7	1,552.0	5,652.5	5,757.2
Costs and expenses				
Cost of revenue:				
Services	1,008.7	1,045.4	3,989.3	4,317.1
Technology	105.9	120.5	376.2	430.5
	1,114.6	1,165.9	4,365.5	4,747.6

Selling, general and administrative	304.3	270.5	1,022.1	1,104.7
Research and development	47.4	47.0	179.0	231.7
	-----	-----	-----	-----
	1,466.3	1,483.4	5,566.6	6,084.0
	-----	-----	-----	-----
Operating profit (loss)	69.4	68.6	85.9	(326.8)
Interest expense	20.2	19.3	76.3	77.2
Other income (expense), net	(3.6)	-	(6.1)	153.1
	-----	-----	-----	-----
Income (loss) before income taxes	45.6	49.3	3.5	(250.9)
Provision for income taxes	31.8	28.0	82.6	27.8
	-----	-----	-----	-----
Net income (loss)	\$13.8	\$21.3	(\$79.1)	(\$278.7)
	=====	=====	=====	=====
Earnings (loss) per share				
Basic	\$.04	\$.06	(\$.23)	(\$.81)
	=====	=====	=====	=====
Diluted	\$.04	\$.06	(\$.23)	(\$.81)
	=====	=====	=====	=====
Shares used in the per share computations (thousands):				
Basic	352,502	344,935	349,661	343,747
	=====	=====	=====	=====
Diluted	352,936	345,627	349,661	343,747
	=====	=====	=====	=====

UNISYS CORPORATION
SEGMENT RESULTS
(Millions)

	Total	Elimi- nations	Services*	Technology*
	-----	-----	-----	-----
Three Months Ended December 31, 2007 -----				
Customer revenue Intersegment	\$1,535.7	(\$58.0)	\$1,267.6 3.0	\$268.1 55.0
	-----	-----	-----	-----
Total revenue	\$1,535.7	(\$58.0)	\$1,270.6	\$323.1
	=====	=====	=====	=====
Gross profit percent	27.4%		19.6%	53.9%
	=====		=====	=====
Operating profit percent	4.5%		4.5%	20.5%
	=====		=====	=====
Three Months Ended December 31, 2006 -----				
Customer revenue Intersegment	\$1,552.0	(\$78.0)	\$1,298.7 4.0	\$253.3 74.0
	-----	-----	-----	-----
Total revenue	\$1,552.0	(\$78.0)	\$1,302.7	\$327.3
	=====	=====	=====	=====
Gross profit percent	24.9%		16.9%	49.0%
	=====		=====	=====
Operating profit percent	4.4%		1.2%	13.7%
	=====		=====	=====
Year Ended December 31, 2007 -----				
Customer revenue Intersegment	\$5,652.5	(\$206.7)	\$4,846.7 13.9	\$805.8 192.8
	-----	-----	-----	-----
Total revenue	\$5,652.5	(\$206.7)	\$4,860.6	\$998.6
	=====	=====	=====	=====
Gross profit percent	22.8%		17.4%	47.0%
	=====		=====	=====
Operating profit percent	1.5%		2.5%	8.3%
	=====		=====	=====
Year Ended December 31, 2006 -----				
Customer revenue Intersegment	\$5,757.2	(\$250.3)	\$4,917.2 14.8	\$840.0 235.5
	-----	-----	-----	-----
Total revenue	\$5,757.2	(\$250.3)	\$4,932.0	\$1,075.5
	=====	=====	=====	=====
Gross profit percent	17.5%		15.1%	44.2%
	=====		=====	=====
Operating profit (loss) percent	(5.7%)		(0.5%)	1.7%
	=====		=====	=====

* Results exclude cost reduction actions

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Millions)

	December 31, 2007	December 31, 2006
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$830.2	\$719.3
Accounts and notes receivable, net	1,059.2	1,164.6
Inventories		
Parts and finished equipment	91.9	95.0
Work in process and materials	79.2	81.2
Deferred income taxes	15.0	30.0
Prepaid expense and other current assets	133.7	148.4
	-----	-----
Total	2,209.2	2,238.5
	-----	-----
Properties	1,336.9	1,233.4
Less accumulated depreciation and amortization	1,004.7	892.1
	-----	-----
Properties, net	332.2	341.3
	-----	-----
Outsourcing assets, net	409.4	401.1
Marketable software, net	268.8	304.3
Prepaid postretirement assets	497.0	250.1
Deferred income taxes	101.2	191.3
Goodwill	200.6	193.9
Other long-term assets	123.1	117.4
	-----	-----
Total	\$4,141.5	\$4,037.9
	=====	=====
Liabilities and stockholders' equity (deficit)		
Current liabilities		
Notes payable	\$0.1	\$1.2
Current maturities of long-term debt	204.3	0.5
Accounts payable	419.6	460.9
Other accrued liabilities	1,253.4	1,469.1
	-----	-----
Total	1,877.4	1,931.7
	-----	-----
Long-term debt	1,058.3	1,049.1
Long-term postretirement liabilities	420.7	667.7
Other long-term liabilities	387.1	453.6
Stockholders' equity (deficit)		
Common stock	3.6	3.5
Accumulated deficit	(2,465.9)	(2,386.8)
Other capital	4,011.9	3,945.1
Accumulated other comprehensive loss	(1,151.6)	(1,626.0)
	-----	-----
Stockholders' equity (deficit)	398.0	(64.2)
	-----	-----
Total	\$4,141.5	\$4,037.9
	=====	=====

UNISYS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Millions)

	Year Ended December 31	
	2007	2006
Cash flows from operating activities		
Net loss	(\$79.1)	(\$278.7)
Add (deduct) items to reconcile net loss to net cash provided by operating activities:		
Equity loss		4.5
Employee stock compensation expense	7.7	6.7
Company stock issued for U.S. 401(k) plan	47.4	18.3
Depreciation and amortization of properties	115.1	120.5
Depreciation and amortization of outsourcing assets	143.8	135.1
Amortization of marketable software	121.6	132.9
Gain on sale of assets	(24.7)	(153.2)
Decrease (increase) in deferred income taxes, net	69.9	(66.5)
Decrease in receivables, net	176.2	14.2
Decrease in inventories	10.7	19.4
(Decrease) increase in accounts payable and other accrued liabilities	(286.1)	74.1
Decrease in other liabilities	(103.3)	(68.8)
(Increase) decrease in other assets	(32.2)	52.8
Other	6.1	17.4
	173.1	28.7
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from investments	7,718.5	7,522.0
Purchases of investments	(7,728.3)	(7,535.9)
Investment in marketable software	(94.0)	(105.4)
Capital additions of properties	(77.5)	(70.1)
Capital additions of outsourcing assets	(137.5)	(81.0)
Purchases of businesses	(1.2)	(1.1)
Proceeds from sale of assets	29.3	380.6
	(290.7)	109.1
Net cash (used for) provided by investing activities		
Cash flows from financing activities		
Net reduction in short-term borrowings	(1.1)	(17.0)
Minority shareholder dividends	(5.8)	
Proceeds from exercise of stock options	12.3	1.6
Payments of long-term debt		(57.9)
Proceeds from issuance of long-term debt	204.2	
Cost of credit agreement		(4.6)
	209.6	(77.9)
Net cash provided by (used for) financing activities		
Effect of exchange rate changes on cash and cash equivalents	18.9	16.9
	110.9	76.8
Increase in cash and cash equivalents		
Cash and cash equivalents, beginning of period	719.3	642.5
	\$830.2	\$719.3
Cash and cash equivalents, end of period	\$830.2	\$719.3