

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) October 26, 2010

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.)

801 Lakeview Drive, Suite 100
Blue Bell, Pennsylvania 19422

(Address of Principal Executive Offices) (Zip Code)

(215) 986-4011

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

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:

- \ \ 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 October 26, 2010, Unisys Corporation issued a news release to report its financial results for the quarter ended September 30, 2010. 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.

(d) The following exhibit is being furnished herewith:

99 News Release, dated October 26, 2010, of Unisys Corporation

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: October 26, 2010

By: /s/ Janet B. Haugen

Janet B. Haugen
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit
No.

- - - - -

99 News Release, dated October 26, 2010, of Unisys Corporation

Investor Contact:

Niels Christensen, 215-986-6651
Niels.Christensen@unisys.com

Media Contact:

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

UNISYS ANNOUNCES THIRD-QUARTER 2010 FINANCIAL RESULTS; COMPANY REPORTS ANOTHER PROFITABLE QUARTER, LED BY SERVICES, AND SIGNIFICANTLY IMPROVED CASH FLOW

Vs. 3Q09

- * Revenue declines 13 percent on lower technology and project-based services revenue
- * IT outsourcing revenue grows slightly
- * Technology revenue declines 31 percent; technology revenue up year to date
- * Services operating profit margin of 8 percent as company benefits from continued reshaping of business
- * Operating expenses (SG&A + R&D expenses) decline 13 percent
- * Net income of \$28.3 million, down 54 percent on lower technology sales
- * Cash flow from operations improves to \$127 million, up 35 percent, despite lower technology revenue
- * Company generates \$81 million of free cash flow, up 78 percent

BLUE BELL, Pa., October 26, 2010 - Unisys Corporation (NYSE: UIS) today reported third-quarter 2010 net income of \$28.3 million, or 65 cents per diluted share, compared with net income of \$61.1 million, or \$1.48 per diluted share, in the year-ago quarter. Third-quarter 2010 net income from continuing operations was \$21.8 million, or 50 cents per diluted share, compared with \$52.4 million, or \$1.27 per diluted share, in the year-ago period. Operating results of the company's divested UK-based Unisys Insurance Services Limited (UISL) business and health information management business are being reported as discontinued operations.

Revenue in the third quarter of 2010 declined 13 percent (2 percentage points was attributable to divested businesses) to \$961 million compared with \$1.11 billion in the year-ago quarter. Foreign currency fluctuations had a one percentage-point negative impact on revenue in the quarter. U.S. revenue declined 15 percent to \$438 million while revenue from international markets declined 12 percent (10 percent in constant currency) to \$523 million.

"We made further progress on many fronts in the quarter as we continue to reshape the Unisys business model," said Unisys Chairman and CEO Ed Coleman. "We achieved a services operating profit margin of 8 percent - an important milestone that put us in our targeted 8 to 10 percent margin range. We also grew revenue slightly in our IT outsourcing business. Operating expenses and cash flow improved significantly, reflecting improved efficiencies across the business.

"After three straight quarters of strong growth, sales of our ClearPath servers declined, impacting our net income comparisons against a strong third quarter a year ago. To drive profitable growth, we continue to enhance our portfolio with innovative solutions, including new enterprise virtualization capabilities announced last week for our ClearPath server family. Our more competitive portfolio positions us to capitalize on emerging growth markets in our areas of strength."

OVERALL MARGINS

Unisys reported a third-quarter gross profit margin of 24.7 percent, down from 26.9 percent a year ago, driven by lower sales of ClearPath enterprise servers in the quarter. Operating expenses (selling, general and administrative expenses plus research and development) declined 13 percent in the quarter compared to the year-ago quarter. Despite the expense reduction, third-quarter operating profit margin declined to 7.9 percent, down from 10.1 percent a year ago, reflecting the lower ClearPath sales in the current quarter.

THIRD-QUARTER BUSINESS SEGMENT RESULTS

Customer revenue in the company's services segment declined 10 percent (2 percentage points was attributable to divested businesses) compared with the year-ago quarter. Reflecting improved cost efficiencies in services delivery, services gross profit margin increased to 20.6 percent compared with 19.9 percent a year ago, while services operating margin increased to 8.0 percent compared with 7.5 percent a year ago.

Services backlog at September 30, 2010 was \$5.8 billion, flat from September 30,

2009 and up from \$5.5 billion of services backlog at June 30, 2010. The increase from June 30, 2010 is primarily attributable to currency exchange rate movements. Services orders showed double-digit declines from year-ago levels, which included a significant business process outsourcing contract renewal.

Customer revenue in the company's technology segment declined 31 percent from the third quarter of 2009, driven by lower sales of ClearPath servers. Reflecting the lower volume of ClearPath sales, the company reported a technology gross profit margin of 47.6 percent and an operating profit margin of 7.9 percent in the quarter, down from a gross profit margin of 55.2 percent and operating margin of 21.2 percent in the year-ago quarter. Unisys recently introduced more powerful models to its ClearPath server family as well as new secure partitioning (sPar) virtualization technology that enables ClearPath users to improve the efficiency of their data center environments.

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

Unisys generated \$127 million of cash from operations in the third quarter of 2010 compared with \$94 million of cash from operations in the third quarter of 2009. Capital expenditures in the third quarter of 2010 were \$46 million compared with \$48 million in the year-ago quarter. The company generated \$81 million of free cash flow (cash from operations less capital expenditures) in the third quarter of 2010 compared with free cash flow of \$46 million in the third quarter of 2009.

At September 30, 2010, Unisys reported \$689 million of cash on hand, up from \$497 million at June 30, 2010.

During the quarter the company completed the sale of its U.K.-based Unisys Insurance Services Limited (UISL). Terms of the transaction were not disclosed.

CONFERENCE CALL

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

CONSTANT CURRENCY

The company refers to revenue growth rates at constant currency or adjusting for currency so that the business results can be viewed without the impact of fluctuations in foreign currency exchange rates to facilitate comparisons of the company's business performance from one period to another. Constant currency for revenue is calculated by retranslating current and prior period results at a consistent rate. This approach is based on the pricing currency for each country which is typically the functional currency. Generally, when the dollar either strengthens or weakens against other currencies, the growth at constant currency rates or adjusting for currency will be higher or lower than growth reported at actual exchange rates.

ABOUT UNISYS

Unisys is a worldwide information technology company. We provide a portfolio of IT services, software, and technology that solves critical problems for clients. We specialize in helping clients secure their operations, increase the efficiency and utilization of their data centers, enhance support to their end users and constituents, and modernize their enterprise applications. To provide these services and solutions, we bring together offerings and capabilities in outsourcing services, systems integration and consulting services, infrastructure services, maintenance services, and high-end server technology. With approximately 23,000 employees, Unisys serves commercial organizations and government agencies throughout the world. 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 the adverse effects of global economic conditions; the company's significant pension obligations and potential requirements to make significant cash contributions to its defined benefit pension plans; the success of the company's program to reduce costs, focus its global resources and simplify its business structure; the potential adverse effects of aggressive competition in the information services and technology marketplace; the company's ability to effectively anticipate and

respond to volatility and rapid technological change in its industry; the company's ability to retain significant clients; the company's ability to take on, successfully implement and grow outsourcing operations; the company's ability to drive profitable growth in consulting and systems integration; market demand for the company's high-end enterprise servers and maintenance on those servers; the risk that the company's contracts may not be as profitable as expected or provide the expected level of revenues and that contracts with U.S. governmental agencies may subject it to audits, criminal penalties, sanctions and other expenses and fines; the risk that the company may face damage to its reputation or legal liability if its clients are not satisfied with its services or products; the performance and capabilities of third parties with whom the company has commercial relationships; the risks of doing business internationally when more than half of the company's revenue is derived from international operations; the company's ability to access capital and credit markets to address its liquidity needs; the business and financial risk in implementing future dispositions or acquisitions; the potential for infringement claims to be asserted against the company or its clients; the possibility that pending litigation could affect the company's results of operations or cash flow; and the company's consideration of all available information following the end of the quarter and before the filing of the Form 10-Q and the possible impact of this subsequent event information on its financial statements for the reporting period. Additional discussion of factors that could affect the company's 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.: 1026/8998

Unisys is a registered trademark of Unisys Corporation. All other brands and products referenced herein are acknowledged to be trademarks or registered trademarks of their respective holders.

UNISYS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(Millions, except per share data)

	Three Months		Nine Months	
	Ended September 30		Ended September 30	
	2010	2009 *	2010	2009 *
	-----	-----	-----	-----
Revenue				
Services	\$855.2	\$952.8	\$2,597.7	\$2,858.7
Technology	105.4	153.6	377.3	368.4
	-----	-----	-----	-----
	960.6	1,106.4	2,975.0	3,227.1
Costs and expenses				
Cost of revenue:				
Services	675.9	747.9	2,070.5	2,267.2
Technology	47.3	60.7	143.9	187.0
	-----	-----	-----	-----
	723.2	808.6	2,214.4	2,454.2
Selling, general and administrative	142.4	161.9	458.7	500.2
Research and development	18.9	24.3	60.8	76.8
	-----	-----	-----	-----
	884.5	994.8	2,733.9	3,031.2
Operating profit	76.1	111.6	241.1	195.9
Interest expense	25.0	25.4	76.8	68.4
Other income (expense), net	(0.2)	(3.4)	(44.6)	(7.3)
	-----	-----	-----	-----
Income from continuing operations before income taxes	50.9	82.8	119.7	120.2
Provision for income taxes	28.2	28.4	52.7	54.9
	-----	-----	-----	-----
Consolidated net income from continuing operations	22.7	54.4	67.0	65.3
Net income attributable to noncontrolling interests	(0.9)	(2.0)	(3.3)	(6.8)
	-----	-----	-----	-----
Net income from continuing				

operations attributable to Unisys Corporation	21.8	52.4	63.7	58.5
Income from discontinued operations, net of taxes	6.5	8.7	73.2	16.3
	-----	-----	-----	-----
Net income attributable to Unisys Corporation	\$28.3	\$61.1	\$136.9	\$74.8
	=====	=====	=====	=====
Earnings per share attributable to Unisys Corporation				
Basic				
Continuing operations	\$.51	\$ 1.30	\$ 1.50	\$ 1.53
Discontinued operations	.15	.21	1.72	.43
	-----	-----	-----	-----
Total	\$.66	\$ 1.51	\$ 3.22	\$ 1.96
	=====	=====	=====	=====
Diluted				
Continuing operations	\$.50	\$ 1.27	\$ 1.47	\$ 1.51
Discontinued operations	.15	.21	1.69	.42
	-----	-----	-----	-----
Total	\$.65	\$ 1.48	\$ 3.16	\$ 1.93
	=====	=====	=====	=====
Shares used in the per share computations (thousands):				
Basic	42,620	40,569	42,536	38,215
	=====	=====	=====	=====
Diluted	43,292	41,403	43,335	38,666
	=====	=====	=====	=====

* Reclassified for discontinued operations

UNISYS CORPORATION
SEGMENT RESULTS
(Unaudited)
(Millions)

	Total	Elimi- nations	Services	Technology
	-----	-----	-----	-----
Three Months Ended September 30, 2010 -----				
Customer revenue	\$960.6		\$855.2	\$105.4
Intersegment		(\$25.6)	1.2	24.4
	-----	-----	-----	-----
Total revenue	\$960.6	(\$25.6)	\$856.4	\$129.8
	=====	=====	=====	=====
Gross profit percent	24.7%		20.6%	47.6%
	=====		=====	=====
Operating profit percent	7.9%		8.0%	7.9%
	=====		=====	=====
Three Months Ended September 30, 2009 * -----				
Customer revenue	\$1,106.4		\$952.8	\$153.6
Intersegment		(\$33.3)	1.8	31.5
	-----	-----	-----	-----
Total revenue	\$1,106.4	(\$33.3)	\$954.6	\$185.1
	=====	=====	=====	=====
Gross profit percent	26.9%		19.9%	55.2%
	=====		=====	=====
Operating profit percent	10.1%		7.5%	21.2%
	=====		=====	=====
Nine Months Ended September 30, 2010 -----				
Customer revenue	\$2,975.0		\$2,597.7	\$377.3
Intersegment		(\$84.9)	3.6	81.3
	-----	-----	-----	-----
Total revenue	\$2,975.0	(\$84.9)	\$2,601.3	\$458.6
	=====	=====	=====	=====
Gross profit percent	25.6%		19.5%	54.5%
	=====		=====	=====
Operating profit percent	8.1%		6.3%	17.4%
	=====		=====	=====
Nine Months Ended September 30, 2009 * -----				
Customer revenue	\$3,227.1		\$2,858.7	\$368.4
Intersegment		(\$118.5)	5.1	113.4
	-----	-----	-----	-----
Total revenue	\$3,227.1	(\$118.5)	\$2,863.8	\$481.8
	=====	=====	=====	=====
Gross profit percent	24.0%		19.2%	43.8%
	=====		=====	=====
Operating profit percent	6.1%		5.8%	2.8%
	=====		=====	=====

* Reclassified for discontinued operations

UNISYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Millions)

	September 30, 2010	December 31, 2009 *
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$688.7	\$647.6
Accounts and notes receivable, net	781.9	767.4
Inventories		
Parts and finished equipment	61.4	57.5
Work in process and materials	41.5	43.0
Deferred income taxes	26.0	19.9
Prepaid expense and other current assets	129.3	139.2
Assets of discontinued operations	-	98.8
	-----	-----
Total	1,728.8	1,773.4
	-----	-----
Properties	1,382.5	1,365.8
Less accumulated depreciation and amortization	1,158.7	1,140.1
	-----	-----
Properties, net	223.8	225.7
	-----	-----
Outsourcing assets, net	180.6	213.7
Marketable software, net	146.3	151.5
Deferred income taxes	179.4	180.6
Goodwill	196.7	198.5
Other long-term assets	184.5	213.5
	-----	-----
Total	\$2,840.1	\$2,956.9
	=====	=====
Liabilities and stockholders' deficit		
Current liabilities		
Current maturities of long-term debt	\$0.8	\$65.8
Accounts payable	269.6	292.2
Deferred revenue	474.1	439.1
Other accrued liabilities	512.2	566.0
Liabilities of discontinued operations	-	87.1
	-----	-----
Total	1,256.7	1,450.2
	-----	-----
Long-term debt	836.7	845.9
Long-term postretirement liabilities	1,498.2	1,640.6
Long-term deferred revenue	143.5	149.2
Other long-term liabilities	139.2	142.7
Commitments and contingencies		
Total stockholders' deficit	(1,034.2)	(1,271.7)
	-----	-----
Total	\$2,840.1	\$2,956.9
	=====	=====

* Reclassified for discontinued operations

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

	Nine Months Ended September 30	
	2010	2009
Cash flows from operating activities		
Consolidated net income from continuing operations	\$67.0	\$65.3
Income from discontinued operations, net of taxes	73.2	16.3
Add (deduct) items to reconcile consolidated net income to net cash provided by operating activities:		
Foreign currency transaction loss	19.9	-
Employee stock compensation	7.3	(0.3)
Depreciation and amortization of properties	58.1	71.7
Depreciation and amortization of outsourcing assets	85.4	113.9
Amortization of marketable software	46.5	70.3
Disposals of capital assets	8.2	5.7
(Gain) loss on sale of businesses and assets	(65.7)	4.7
Loss on extinguishment of debt	1.4	-
(Increase) decrease in deferred income taxes, net	(11.8)	16.7
(Increase) decrease in receivables, net	(23.2)	96.4
(Increase) decrease in inventories	(2.0)	15.4
Decrease in accounts payable and other accrued liabilities	(37.6)	(248.8)
(Decrease) increase in other liabilities	(35.1)	6.0
Increase in other assets	(41.7)	(52.0)
Other	0.1	0.5
	150.0	181.8
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from investments	317.5	296.8
Purchases of investments	(316.5)	(294.9)
Restricted deposits	13.9	(82.5)
Investment in marketable software	(41.8)	(43.7)
Capital additions of properties	(49.7)	(32.1)
Capital additions of outsourcing assets	(70.4)	(73.4)
Net proceeds from sale (purchases) of businesses and assets	121.2	(1.9)
	(25.8)	(231.7)
Net cash used for investing activities		
Cash flows from financing activities		
Proceeds from exercise of stock options	1.3	-
Payments of long-term debt	(78.0)	(30.0)
Financing fees	(0.1)	(15.4)
	(76.8)	(45.4)
Net cash used for financing activities		
Effect of exchange rate changes on cash and cash equivalents	(6.3)	24.9
	41.1	(70.4)
Increase (decrease) in cash and cash equivalents		
Cash and cash equivalents, beginning of period	647.6	544.0
	\$688.7	\$473.6
Cash and cash equivalents, end of period	\$688.7	\$473.6