

UNISYS CORP
 Form 424B5
 September 12, 2005
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Registration File Number: 333-85650

Prospectus Supplement

(To Prospectus Dated April 26, 2002)

\$550,000,000

Unisys Corporation

\$400,000,000 8% Senior Notes due 2012

\$150,000,000 8 1/2% Senior Notes due 2015

Unisys Corporation is offering \$400 million aggregate principal amount of 8% senior notes due 2012 and \$150 million aggregate principal amount of 8 1/2% senior notes due 2015. Interest on the notes will be paid semi-annually in arrears on April 15 and October 15 of each year, beginning on April 15, 2006. The 8% notes will mature on October 15, 2012. The 8 1/2% notes will mature on October 15, 2015.

The notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior indebtedness and senior to any future subordinated indebtedness.

Investing in the notes involves risks. See Risk Factors beginning on page S-2 of this prospectus supplement and beginning on page 1 of the accompanying prospectus.

	Per 8% Note	Total	Per 8 1/2% Note	Total
Public Offering Price(1)	100.000%	\$ 400,000,000	100.000%	\$ 150,000,000
Underwriting Commissions	1.44%	\$ 5,760,000	1.44%	\$ 2,160,000
	98.56%	\$ 394,240,000	98.56%	\$ 147,840,000

Proceeds to Unisys Corporation, before
expenses(1)

(1) Plus accrued interest, if any, from September 14, 2005, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes to investors on or about September 14, 2005.

Joint Book-Running Managers

Banc of America Securities LLC

Citigroup

Joint Lead Managers

ABN AMRO Incorporated

BNP PARIBAS

Deutsche Bank Securities

Scotia Capital

Wachovia Securities

BNY Capital Markets, Inc.

HSBC

KeyBanc Capital Markets

PNC Capital Markets, Inc.

The Williams Capital Group, L.P.

September 9, 2005

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of the date on the front of this prospectus supplement only. Our business, financial condition, results of operations and prospects may have changed since that date.

Information contained in our web site does not constitute part of this prospectus supplement or the accompanying prospectus.

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SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. These types of statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as anticipates, believes, expects, estimates, intends, plans, projects and similar expressions may identify forward-looking statements. All forward-looking statements rely on assumptions and are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from expectations. The following documents describe these assumptions, risks, uncertainties, and other factors. You should read and interpret any forward-looking statements together with these documents:

the risk factors contained in this prospectus supplement and the accompanying prospectus under the caption **Risk Factors** ;

our most recent annual report on Form 10-K and quarterly report on Form 10-Q under the heading **Management's Discussion and Analysis of Financial Condition and Results of Operations** ; and

our other SEC filings.

Any forward-looking statement speaks only as of the date on which that statement is made. We will not update any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made.

UNISYS

We are a worldwide information technology services and solutions company that combines expertise in systems integration and consulting, outsourcing, infrastructure and high-end server technology to help clients achieve competitive advantage. We have two business segments **services and technology** and we provide services and technology to commercial businesses and governments throughout most of the world.

Services Segment In the services segment, we provide end-to-end services and solutions designed to help clients improve their competitiveness and efficiency in the global marketplace. Our portfolio of solutions and services includes systems integration and consulting; outsourcing, including the management of a customer's internal information systems and management of specific business processes, such as check processing, insurance claims processing, health claims processing, mortgage administration and cargo management; infrastructure services involving the design and support of customers' IT infrastructure, including desktops, servers, mobile and wireless systems and networks; enterprise-wide security solutions to protect systems, networks, applications and data; and core maintenance (maintenance on Unisys proprietary products).

Technology Segment In the technology segment, we develop servers and related products that operate in transaction-intensive, mission-critical environments. Major offerings include enterprise-class servers based on our Cellular MultiProcessing architecture, such as the ClearPath Plus family of servers, which integrates proprietary and open platforms, and the ES7000 family of servers, which provide enterprise-class attributes on Intel-based servers; operating system software and middleware to power high-end servers; and specialized technologies such as payment systems, chip testing and third-party products.

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The primary vertical markets we serve worldwide include financial services, communications, transportation, commercial and public sector, including the U.S. federal government.

Products and services are marketed primarily through a direct sales force. In certain foreign countries, we market primarily through distributors.

No single customer accounts for more than 10% of our consolidated revenue. Sales of commercial products and services to various agencies of the U.S. government represented 15% of total consolidated revenue in 2004.

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Our principal executive offices are located at Unisys Way, Blue Bell, Pennsylvania 19424. Our telephone number is (215) 986-4011.

RISK FACTORS

In addition to the other information contained and incorporated in this prospectus supplement and the accompanying prospectus, you should consider carefully the following factors before deciding to purchase the notes.

Our business is affected by changes in general economic and business conditions.

We face a highly competitive business environment and economic weakness in certain geographic regions. In this environment, many organizations are delaying planned purchases of information technology products and services. If the level of demand for our products and services declines in the future, our business could be adversely affected. Our business could also be affected by acts of war, terrorism or natural disasters. Current world tensions could escalate, and this could have unpredictable consequences on the world economy and on our business.

We face aggressive competition in the information services and technology marketplace.

The information services and technology markets in which we operate include a large number of companies vying for customers and market share both domestically and internationally. Our competitors include:

consulting and other professional services firms;

systems integrators;

outsourcing providers;

infrastructure services providers;

computer hardware manufacturers; and

software providers.

Some of our competitors may develop competing products and services that offer better price-performance or that reach the market in advance of our offerings. Some of our competitors also have or may develop greater financial and other resources than we have, 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 our business. Our future results will depend on our ability to mitigate the effects of aggressive competition on our revenues, pricing and margins and on our ability to attract and retain talented people.

We face volatility and rapid technological change in our industry.

We operate in a highly volatile industry characterized by rapid technological change, evolving technology standards, short product life cycles and continually changing customer demand patterns. Our success will depend, in part, on our 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. We 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 our services and product offerings. In addition, products and services developed by our competitors may make our offerings less competitive.

Our future results will depend on our ability to grow profitably in our services business.

Outsourcing and Infrastructure Services

Our future results will depend in part on our ability to grow outsourcing and infrastructure services. Our outsourcing contracts are multi-year engagements under which we take over management of a client's

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technology operations, business processes or networks. We will need to maintain a strong financial position in order to grow our outsourcing business. In a number of these arrangements, we hire certain of our 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 us to make significant up-front investments.

Recoverability of outsourcing assets is dependent on various factors, including the timely completion and ultimate cost of the outsourcing solution, realization of expected profitability of existing outsourcing contracts and obtaining additional outsourcing customers. These risks could result in an impairment of a portion of the associated assets, which we test for recoverability quarterly.

As long-term relationships, outsourcing contracts provide a base of recurring revenue. However, outsourcing contracts are highly complex and can involve the design, development, implementation and operation of new solutions and the transitioning of clients from their existing business processes to the new environment. In the early phases of these contracts, gross margins may be lower than in later years when an integrated solution has been implemented, the duplicate costs of transitioning from the old to the new system have been eliminated and the work force and facilities have been rationalized for efficient operations. Future results will depend on our ability to effectively and timely complete these implementations, transitions and rationalizations. Future results will also depend on our ability to effectively address our challenging outsourcing operations through negotiations or operationally and to fully recover the associated outsourcing assets.

Consulting and Systems Integration

Our growth in consulting and systems integration services 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 we have taken to enhance the skills base and management team in this business and to refocus parts of 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 we are able to charge for our services and the chargeability of our professionals. If we are not able to maintain the rates we charge or appropriate chargeability for our professionals, our profit margins will suffer. The rates we are able to charge for our services are affected by a number of factors, including: our clients' perception of our ability to add value through our services; introduction of new services or products by us or our competitors; pricing policies of our competitors; and general economic conditions. Chargeability is also affected by a number of factors, including: our ability to transition employees from completed projects to new engagements; and our ability to forecast demand for our services and thereby maintain an appropriate head count.

Our future results will depend on market demand for our high-end enterprise servers.

In our technology business, we are focusing our resources on creating and enhancing a common high-performance platform for both our proprietary operating environments and open standards-based operating environments such as Microsoft Windows and Linux. In addition, we are applying our resources to develop value-added software capabilities and optimized solutions for these server platforms that provide competitive differentiation. The high-end enterprise server platforms are based on our Cellular MultiProcessing (CMP) architecture. Our 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 supporting industry standard software. We have transitioned both our legacy ClearPath servers and our Intel-based ES7000s to the CMP platform. Our future results will depend, in part, on customer acceptance of the CMP-based ClearPath Plus systems and our ability to maintain our installed base for ClearPath and to develop next-generation ClearPath products that are purchased by the installed base. In addition, our future results will depend, in part, on our ability to generate new customers and increase sales of the Intel-based ES7000

line. We believe there is significant

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growth potential in the developing market for high-end, Intel-based servers running Microsoft and Linux operating system software. However, competition in these new markets is likely to intensify in coming years, and our ability to succeed will depend on our ability to compete effectively against enterprise server competitors with more substantial resources and our ability to achieve market acceptance of the ES7000 technology by clients, systems integrators and independent software vendors.

Our contracts may not be as profitable or provide the level of revenues that we expect.

A number of our long-term contracts for infrastructure 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 customer termination or may impose other penalties if we do not meet the performance levels specified in the contracts.

Some of our systems integration contracts are fixed-price contracts under which we assume the risk for the delivery of the contracted services and products at an agreed-upon fixed price. At times we have experienced problems in performing some of these fixed-price contracts on a profitable basis, and we have provided periodically for adjustments to the estimated cost to complete them. Our future results will depend on our ability to perform these services contracts profitably.

We frequently enter 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.

We may face damage to our reputation or legal liability if our clients are not satisfied with our services or products.

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

Our future results will depend in part on the performance and capabilities of third parties.

We have commercial relationships with suppliers, channel partners and other parties that have complementary products, services or skills. Our 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 our relationship with, distributors and other indirect channel partners.

We are subject to the risks of doing business internationally.

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We derive more than half of our total revenue from international operations, so we are subject to the risks of doing business internationally, which 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.

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

USE OF PROCEEDS

We estimate that the net proceeds from the issuance and sale of the notes, after deducting the underwriters' discounts and commissions and approximately \$0.4 million in expenses relating to the offering, will be approximately \$541.7 million. We plan to use these proceeds to acquire the \$400.0 million in aggregate principal amount of our outstanding 8 1/8% senior notes pursuant to the tender offer for such notes we commenced on September 9, 2005. We will use the remaining proceeds from this offering for general corporate purposes. The 8 1/8% senior notes mature on June 1, 2006.

CAPITALIZATION

The following table sets forth our cash and capitalization as of June 30, 2005 on an actual basis and as adjusted to give effect to the sale of the notes and the assumed acquisition of all of the 8 1/8% senior notes at an assumed purchase price of \$1,026.56 per \$1,000 principal amount.

	June 30, 2005	
	Actual	As Adjusted
	(dollars in millions)	
Cash and cash equivalents	\$ 398.9	\$ 529.1(a)
Short-term debt	\$ 1.4	\$ 1.4
Long-term debt:		
8 1/2% senior notes due 2015	\$	\$ 150.0
8% senior notes due 2012		400.0
6 7/8% senior notes due 2010	300.0	300.0
7 7/8% senior notes due 2008	200.0	200.0
8 1/8% senior notes due 2006	400.0	
Other, net of unamortized discounts	(0.1)	0.7(b)
	\$ 899.9	\$ 1,050.7
Stockholders' equity:		
Common stock	\$ 3.4	\$ 3.4
Accumulated deficit	(448.8)	(457.5)(c)

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Other capital	3,907.0	3,907.0
Accumulated other comprehensive loss	(1,983.4)	(1,983.4)
	<u> </u>	<u> </u>
Total stockholders' equity	\$ 1,478.2	\$ 1,469.5
	<u> </u>	<u> </u>
Total capitalization	\$ 2,379.5	\$ 2,521.6
	<u> </u>	<u> </u>

-
- (a) Gives effect to approximately \$541.7 million of net proceeds we expect to receive from the sale of the notes offered hereby, less approximately \$11.5 million of premium and other costs related to the tender offer for the 8 1/8% senior notes and the payment for the \$400.0 million outstanding principal amount of the 8 1/8% senior notes pursuant to the tender offer.
- (b) Gives effect to the write off of \$0.8 million of unamortized discount related to the 8 1/8% senior notes.
- (c) Gives effect to the estimated after tax charge of \$8.7 million associated with the assumed acquisition of the 8 1/8% senior notes.

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Year Ended December 31,					Six Months Ended
2000	2001	2002	2003	2004	June 30, 2005
3.33	(a)	3.51	3.52	(a)	(a)

For purposes of this ratio, earnings consist of income (loss) before income taxes, minus undistributed earnings of associated companies, plus amortization of capitalized interest and fixed charges, less interest capitalized during the period. Fixed charges consist of interest on all indebtedness, interest capitalized during the period, amortization of debt issuance expense and the portion of rental expense representative of interest.

(a) Earnings for the years ended December 31, 2001 and 2004 and for the six months ended June 30, 2005 were inadequate to cover fixed charges by \$88.0 million, \$94.6 million and \$131.3 million, respectively.

DESCRIPTION OF NOTES**General**

The following description of the notes we are offering supplements, and to the extent inconsistent therewith supersedes, the description of the general terms and provisions of the debt securities set forth in *Description of Debt Securities* in the accompanying prospectus. We refer you to that description.

We will issue the notes under an indenture dated as of March 1, 2003 between us and HSBC Bank USA, as trustee. The trustee has normal banking relationships with us and participates as a lender in our revolving credit facility. An affiliate of the trustee is also an underwriter for this offering.

We do not currently intend to list the notes on any securities exchange or to seek approval for quotation through any automated quotation system. We cannot assure you that an active public market for the notes will develop. The absence of an active public trading market could have an adverse effect on the liquidity and value of the notes.

Principal, Maturity and Interest

The aggregate principal amount of the 8% notes is \$400 million. The aggregate principal amount of the 8^{1/2}% notes is \$150 million. The 8% notes will mature on October 15, 2012 and will bear interest at the rate per annum shown on the cover page of this prospectus supplement. The 8^{1/2}% notes will mature on October 15, 2015 and will bear interest at the rate per annum shown on the cover page of this prospectus supplement. Interest on the notes will accrue from the date of original issuance, or from the most recent interest payment date to which interest has been paid or provided for. We will pay interest on the notes semi-annually on April 15 and October 15 of each year, commencing April 15,

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2006, to holders of record at the close of business on the immediately preceding April 1 and October 1, respectively.

The 8% notes and the 8 1/2% notes will each constitute a separate series of debt securities under the indenture dated as of March 1, 2003 between us and HSBC Bank USA, as trustee.

Interest on the notes will be paid by check mailed to the persons in whose names the notes are registered at the close of business on the applicable record date or, at our option, by wire transfer to accounts maintained by such persons with a bank located in the United States. The principal of the notes will be paid upon surrender of the notes at the corporate trust office of the trustee. For so long as the notes are represented by global notes, we will make payments of interest by wire transfer to The Depository Trust Company (DTC) or its nominee, as the case may be, which will distribute payments to beneficial holders in accordance with its customary procedures. See Book-Entry, Delivery and Form.

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The notes are not entitled to any sinking fund. The provisions of the indenture described in the accompanying prospectus under Description of the Debt Securities Defeasance will apply to the notes.

Each of the 8% notes and, at any time on or prior to October 14, 2010, the 8 1/2% notes will be redeemable in whole at any time or in part from time to time, at our option, at a redemption price equal to the greater of:

100% of the principal amount of the notes to be redeemed; or

(a) with respect to the 8% notes, the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate (as defined below) plus 50 basis points or (b) with respect to the 8 1/2% notes, the sum of the present values of the principal, premium and interest (exclusive of interest accrued to the date of redemption) that would be payable on such notes through October 15, 2010, as set forth in the next paragraph, discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate plus 50 basis points.

In each case we will pay accrued and unpaid interest on the principal amount to be redeemed to the date of redemption.

On and after October 15, 2010, we may redeem all or a part of the 8 1/2% notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the 8 1/2% notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on October 15 of the years indicated below:

<u>Year</u>	<u>Percentages</u>
2010	104.250%
2011	102.833%
2012	101.417%
2013 and thereafter	100.000%

Notice of redemption will be mailed at least 30 but not more than 60 days before the redemption date to each holder of record of the notes to be redeemed at its registered address. The notice of redemption for the notes will state, among other things, the amount of notes to be redeemed, the redemption date, the manner in which the redemption price will be calculated and the place or places that payment will be made upon presentation and surrender of notes to be redeemed. Unless we default in the payment of the redemption price, interest will cease to accrue on any notes that have been called for redemption at the redemption date.

The following terms shall have the following meanings:

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Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to, in the case of the 8% notes, the remaining term and, in the case of the 8 1/2% notes, October 15, 2010 (as applicable, **Remaining Life**) of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotation, or (2) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means one of the Reference Treasury Dealers that we appoint to act as the Independent Investment Banker from time to time.

Reference Treasury Dealer means each of Banc of America Securities LLC and its successors, and three other firms that are primary U.S. Government securities dealers (each a **Primary Treasury Dealer**) which we will specify from time to time, provided, however, that if any of them ceases to be a Primary Treasury Dealer, we will substitute another Primary Treasury Dealer.

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Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Treasury Rate means, with respect to any redemption date, the rate per year equal to: (1) the yield under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue; provided that, if no maturity is within three months before or after the Remaining Life of the notes to be redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third business day preceding the redemption date.

Ranking

The notes will be senior unsecured obligations, ranking equally with all of our existing and future senior indebtedness and senior to any future subordinated indebtedness.

Book-Entry, Delivery and Form

The notes will be issued in the form of one or more global notes deposited with, or on behalf of, DTC and registered in the name of Cede & Co., as nominee of DTC.

The information concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we do not take responsibility for the accuracy of this information.

DTC is a limited-purpose trust company that was created to hold securities for its participating organizations (collectively, the Participants) and to facilitate the clearance and settlement of transactions in securities between Participants through electronic book-entry changes in accounts of Participants. The Participants include securities brokers and dealers, banks and trust companies, clearing corporations, and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies (collectively, the Indirect Participants) that clear through or maintain a custodial relationship with a Participant, either directly or indirectly. Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants.

We expect that under procedures established by DTC: (1) upon deposit of the global note, DTC will credit the accounts of Participants with portions of the principal amount of the global note; and (2) ownership of the notes evidenced by the global note will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to the interests of Participants), the

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Participants and the Indirect Participants. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer notes evidenced by the global note will be limited to that extent.

The holder of the global note will be considered the sole holder under the indenture of any notes evidenced by the global note. Beneficial owners of notes evidenced by the global note will not be considered the owners or holders thereof under the indenture for any purpose, including with respect to the giving of any directions,

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instructions or approvals to the trustee thereunder. Neither we nor the trustee will have any responsibility or liability for any aspect of the records of DTC or for maintaining, supervising, or reviewing any records of DTC relating to the notes.

Payments in respect of the principal of, premium, if any, and interest on any notes registered in the name of the holder of the global note on the applicable record date will be payable by the trustee to or at the direction of the holder of the global note in its capacity as the registered holder under the indenture. Under the terms of the indenture, we and the trustee may treat the persons in whose names notes, including the global note, are registered as the owners thereof for the purpose of receiving payments. Consequently, neither we nor the trustee have or will have any responsibility or liability for the payment of these amounts to beneficial owners of notes. We believe, however, that it is currently the policy of DTC to immediately credit the accounts of the relevant Participants and Indirect Participants with payments, in amounts proportional to their respective holdings of beneficial interests in the relevant security as shown on the records of DTC. Payments by Participants and Indirect Participants to the beneficial owners of notes will be governed by standing instructions and customary practice and will be the responsibility of the Participants or Indirect Participants.

Certificated Securities. A person having a beneficial interest in the global note may exchange the beneficial interest for notes in the form of registered definitive certificates only under limited circumstances described in the accompanying prospectus. Upon any such exchange, the trustee is required to register the certificated securities in the name of, and cause the same to be delivered to, that person or persons (or the nominee of any thereof). In addition, if: (1) we notify the trustee in writing that DTC is no longer willing or able to act as a depository and we are unable to locate a qualified successor within 90 days, or if at any time DTC ceases to be a clearing agency registered under the Exchange Act, or (2) we, at our option, notify the trustee in writing that we elect to cause the issuance of notes in the form of certificated securities under the indenture, then upon surrender by the holder of the global note of its global note, notes in such form will be issued to each person that the holder of the global note and DTC identify as being the beneficial owner of the related notes. Neither we nor the trustee will be liable for any delay by the holder of the global note or DTC in identifying the beneficial owners of notes, and we and the trustee may conclusively rely on, and will be protected in relying on, instructions from the holder of the global note or DTC for all purposes.

Same-Day Settlement and Payment

Settlement for the notes will be made by the underwriters in immediately available funds. For so long as the notes are represented by global notes, we will make all payments of principal and interest in immediately available funds.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearing-house or next-day funds. In contrast, the notes will trade in the Same-Day Funds Settlement System maintained by DTC until maturity, and secondary market trading activity in the notes will therefore be required by DTC to settle in immediately available funds. We cannot assure you as to the effect, if any, of settlement in immediately available funds on trading activity in the notes.

**CERTAIN UNITED STATES FEDERAL
INCOME TAX CONSEQUENCES**

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that any discussion of tax matters set forth in this prospectus supplement was written in connection with the promotion or marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used by any prospective investor, for the purpose of avoiding tax-related penalties under federal, state or local tax law. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

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The following summary describes the material United States federal income tax consequences of the purchase, ownership and disposition of notes as of the date hereof. Except where noted, it deals only with notes held as capital assets by a Non-U.S. Holder (as defined below) who acquires the notes pursuant to this offering at their initial offering price. This summary does not represent a detailed description of the U.S. federal income tax consequences to you in light of your particular circumstances and does not deal with foreign, state, local or other tax considerations that may be relevant. In addition, it does not deal with Non-U.S. Holders that are subject to special treatment under the U.S. federal income tax laws, including if you are a controlled foreign corporation, passive foreign investment company, or, in certain circumstances, a United States expatriate.

As used herein, a Non-U.S. Holder of a note means a holder that, for United States federal income tax purposes, is not:

an individual citizen or resident of the United States;

a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof;

an estate the income of which is subject to United States federal income taxation regardless of its source; or

a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership holds our notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our notes, you should consult your tax advisors.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), and regulations, rulings and judicial decisions thereunder as of the date hereof. Such authorities may be repealed, revoked or modified so as to result in United States federal income tax consequences different from those discussed below. **Persons considering the purchase, ownership or disposition of notes should consult their own tax advisors concerning the United States federal income tax consequences in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.**

U.S. Federal Withholding Tax

The 30% U.S. federal withholding tax will not apply to any payment of principal or interest on the notes provided that:

interest paid on the notes is not effectively connected with your conduct of a trade or business in the United States;

you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and applicable U.S. Treasury regulations;

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you are not a controlled foreign corporation that is related to us actually (or constructively) through stock ownership;

you are not a bank whose receipt of interest on the notes is described in section 881(c)(3)(A) of the Code; and

either (1) you provide your name and address on an Internal Revenue Service (IRS) Form W-8BEN (or other applicable form), and certify, under penalties of perjury, that you are not a United States person as defined under the Code or (2) you hold your notes through certain foreign intermediaries and you satisfy the certification requirements of applicable U.S. Treasury regulations.

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Special certification rules apply to certain Non-U.S. Holders that are pass-through entities rather than corporations or individuals.

If you cannot satisfy the requirements described above, payments of interest made to you will be subject to the 30% U.S. federal withholding tax, unless you provide us with a properly executed (1) IRS Form W-8BEN (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable tax treaty or (2) W-8ECI (or other applicable form) stating that interest paid on the notes is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States (as discussed below under U.S. Federal Income Tax).

The 30% U.S. federal withholding tax will not apply to any gain that you realize on the sale, exchange, retirement or other disposition of a note.

U.S. Federal Estate Tax

Your estate will not be subject to U.S. federal estate tax on notes beneficially owned by you at the time of your death provided that any payment to you on the notes would be eligible for exemption from the 30% U.S. federal withholding tax under the rules described in the bullet points under U.S. Federal Withholding Tax, without regard to the certification requirements of the last bullet point.

U.S. Federal Income Tax

If you are engaged in a trade or business in the United States and interest on the notes is effectively connected with the conduct of that trade or business (and if a tax treaty applies, attributable to a permanent establishment in the United States), you will be subject to U.S. federal income tax on that interest on a net income basis (although exempt from the 30% withholding tax, provided certain certifications and disclosure requirements discussed above in U.S. Federal Withholding Tax are satisfied) in generally the same manner as if you were a United States person as defined under the Code. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of your effectively connected earnings and profits for the taxable year, subject to adjustments.

Any gain realized on the disposition of a note generally will not be subject to U.S. federal income tax unless:

the gain is effectively connected with the conduct of a trade or business in the United States by you (and if a tax treaty applies, attributable to a permanent establishment in the United States); or

you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met.

Information Reporting and Backup Withholding

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Generally, we must report to the IRS and to you the amount of interest paid to you and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty.

In general, you will not be subject to backup withholding with respect to payments that we make to you provided that we do not have actual knowledge or reason to know that you are a United States person, as defined under the Code, and you have provided the statement described above in the last bullet point under U.S. Federal Withholding Tax.

You will be subject to information reporting and, depending on the circumstances, backup withholding with respect to the proceeds of the sale of a note within the United States or conducted through certain U.S.-related

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financial intermediaries, unless the payor of the proceeds receives the statement described above and does not have actual knowledge or reason to know that you are a United States person, as defined under the Code, or you otherwise establish an exemption.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is furnished to the IRS.

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Table of Contents**UNDERWRITING**

Subject to the terms and conditions set forth in the Underwriting Agreement Basic Provisions dated March, 2002 and the related Terms Agreement dated September 9, 2005 (collectively, the Underwriting Agreement) among us and the underwriters, each of the underwriters named below (the Underwriters) has severally agreed to purchase from us the principal amount of notes set forth opposite its name below.

Underwriters	Principal Amount of 8% Notes	Principal Amount of 8¹/₂% Notes
Banc of America Securities LLC	\$ 118,750,000	\$ 44,531,000
Citigroup Global Markets Inc.	118,750,000	44,531,000
ABN AMRO Incorporated	25,000,000	9,375,000
BNP Paribas Securities Corp.	25,000,000	9,375,000
Deutsche Bank Securities Inc.	25,000,000	9,375,000
Scotia Capital (USA) Inc.	25,000,000	9,375,000
Wachovia Capital Markets, LLC	25,000,000	9,375,000
BNY Capital Markets, Inc.	8,333,000	3,125,000
HSBC Securities (USA) Inc.	8,333,000	3,125,000
KeyBanc Capital Markets, a division of McDonald Investments Inc. .	8,333,000	3,125,000
PNC Capital Markets, Inc.	8,333,000	3,125,000
The Williams Capital Group, L.P.	4,168,000	1,563,000
Total	\$ 400,000,000	\$ 150,000,000

The Underwriting Agreement provides that the obligations of the several Underwriters thereunder are subject to approval of certain legal matters by counsel and to various other conditions. The Underwriters are obligated to purchase and accept delivery of all of the notes if they purchase any of the notes.

The Underwriters propose to offer the notes directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain securities dealers at such price less a concession not in excess of 0.50% per 8% note and per 8¹/₂% note. The Underwriters may allow, and such dealers may re-allow, concessions not in excess of 0.25% per 8% note and per 8¹/₂% note on sales to other dealers. After the offering of the notes, the public offering price, concessions and other selling terms may be changed by the Underwriters. The notes are offered subject to receipt and acceptance by the Underwriters and to certain other conditions, including the right to reject orders in whole or in part.

We estimate that our total expenses for this offering will be approximately \$0.4 million.

We have agreed to indemnify the Underwriters against certain liabilities under the Securities Act of 1933 or to contribute to payments that the Underwriters may be required to make in respect thereof.

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The notes are a new issue of securities with no established trading market. The notes will not be listed on any securities exchange or on any automated dealer quotation system. The Underwriters may make a market in the notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes or that an active public market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

In connection with the offering of the notes, certain of the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the Underwriters may overallocate in connection with the offering, creating a short position. In addition, the Underwriters may bid for, and purchase, the notes in the open market to cover short positions or to stabilize the price of the notes. Any of these activities may stabilize or maintain the market price of the notes above independent market levels, but no representation is made hereby of the magnitude of any effect that the transactions described above may have on the market price of the notes. The Underwriters will not be required to engage in these activities, and may engage in these activities, and may end any of these activities at any time without notice.

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From time to time, some of the Underwriters or their affiliates have provided, and may continue to provide in the future, investment banking, general financing and banking services to us and our affiliates, for which they have received, and expect to receive, customary compensation. Except for The Williams Capital Group, L.P., each of the Underwriters, or their affiliates, is a lender in our revolving credit facility. Citigroup Global Markets Inc. and Banc of America Securities LLC were also joint lead arrangers of the revolving credit facility and are acting as dealer managers and solicitation agents for the tender offer and consent solicitation for the 8¹/₈% senior notes due 2006. An affiliate of HSBC Securities (USA) Inc. is the trustee for the notes.

LEGAL MATTERS

Nancy Straus Sundheim, Esq., our Senior Vice President, General Counsel and Secretary, will pass upon certain legal matters in connection with the notes for us. Simpson Thacher & Bartlett LLP, New York, New York will pass upon certain legal matters for the underwriters. As of the date of this prospectus supplement, Ms. Sundheim owns 28,581 shares of our common stock and holds options to purchase 428,100 shares of our common stock.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the SEC to register the notes covered by this prospectus supplement. This prospectus supplement and the accompanying prospectus, which are part of the registration statement, do not contain all the information or exhibits contained in the registration statement. The descriptions in this prospectus supplement and the accompanying prospectus of documents that are filed as exhibits to the registration statement are merely summaries and are not necessarily complete. You should refer to the actual documents for the complete text.

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available over the Internet at the SEC's web site at <http://www.sec.gov> and at our web site at http://www.unisys.com/about__unisys/investors. You may also read and copy any document we file with the SEC at their Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330 for more information.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement, and later information filed with the SEC will update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act until this offering is completed:

Annual Report on Form 10-K for the year ended December 31, 2004;

Annual Report on Form 11-K of Unisys Savings Plan for the year ended December 31, 2004;

Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2005;

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Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005;

Current Report on Form 8-K, dated February 9, 2005;

Current Report on Form 8-K, dated February 28, 2005;

Current Report on Form 8-K, dated March 31, 2005; and

Current Report on Form 8-K, dated September 7, 2005.

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You may request a copy of these filings (other than exhibits to such documents unless such exhibits are specifically incorporated by reference therein), at no cost, by writing or telephoning us at the following address:

Unisys Corporation

Unisys Way

Blue Bell, Pennsylvania 19424

Attention: Financial Communications

(215) 986-5777

You should rely only on the information incorporated by reference or provided in this prospectus supplement and the accompanying prospectus. We have authorized no one to provide you with different information. We are not making an offer of the notes in any state where the offer is not permitted. You should not assume that the information in this prospectus supplement is accurate as of any date other than the date on the front of this prospectus supplement.

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PROSPECTUS

\$1,500,000,000

UNISYS CORPORATION

Debt Securities

Common Stock

Preferred Stock

Warrants

Stock Purchase Contracts

Stock Purchase Units

Guarantees

UNISYS CAPITAL TRUST I

UNISYS CAPITAL TRUST II

Trust Preferred Securities

Guaranteed by

Unisys Corporation

We will provide the specific terms of the securities in supplements to this prospectus. You should read this prospectus and the related supplement carefully before you invest.

Our common stock is listed on the New York Stock Exchange under the symbol UIS.

Before you invest, you should consider carefully the risk factors beginning on page 1.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Unisys Corporation

Unisys Way

Blue Bell, PA 19424

(215) 986-4011

This prospectus is dated April 26, 2002.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC using a shelf registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$1,500,000,000. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus and any applicable prospectus supplement. We have not authorized anyone to provide you with different information. We are not making offers to sell the securities in any jurisdiction where an offer or solicitation is not permitted. The information in this prospectus is accurate only as of the date on the front cover. You should not assume that the information contained in this prospectus is accurate as of any other date. You should read both this prospectus and any prospectus supplement together with the additional information we incorporate by reference under the heading **Where You Can Find More Information**.

RISK FACTORS

In addition to the other information contained and incorporated in this prospectus, you should consider carefully the following factors before deciding to purchase any of the securities.

Our business is affected by changes in general economic and business conditions.

Our 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 2001, we faced a very challenging economic environment, compounded by the terrorist attacks of September 11. In this environment, many organizations delayed planned purchases of information technology products and services. For us, this was particularly the case in several key markets that we serve: airlines and travel, financial services and communications, with the impact most pronounced for us in high-end enterprise servers and in systems integration and consulting projects. If the level of demand for our products and services does not increase or if it declines in the future, our business could be adversely affected.

We face aggressive competition in the information services and technology marketplace.

The information services and technology markets in which we operate include a large number of companies vying for customers and market share both domestically and internationally. Our competitors include:

computer hardware manufacturers;

software providers;

systems integrators;

consulting and other professional services firms;

outsourcing providers; and

network services providers.

Some of our competitors may develop competing products and services that offer better price-performance or that reach the market in advance of our offerings. Some of our competitors also have or may develop greater financial and other resources than we have, 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

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for skilled professionals. Any of this could have an adverse effect on our business. Our future results will depend on our ability to mitigate the effects of aggressive competition on our revenues, pricing and margins and on our ability to attract and retain talented people.

We face volatility and rapid technological change in our industry.

We operate in a highly volatile industry characterized by rapid technological change, evolving technology standards, short product life cycles and continually changing customer demand patterns. Our success will depend, in part, on our 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. We 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 our services and product offerings. In addition, products and services developed by our competitors may make our offerings less competitive.

Our future results will depend on our ability to grow profitably in our services business.

In particular, we will need to:

Accelerate growth in outsourcing and managed services Our outsourcing contracts are multi-year engagements under which we take over management of a client's technology operations, business processes or networks. We will need to maintain a strong financial position in order to grow our outsourcing business. In a number of these arrangements, we hire certain of our 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 us to make significant up-front investments. As long-term relationships, these outsourcing contracts provide us 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.

Drive profitable growth in systems integration and consulting Our systems integration and consulting business has been adversely affected by the recent economic slowdown. In this economic environment, customers have been delaying systems integration projects. Our 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 we have 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 we are able to charge for our services and the chargeability of our professionals. If we are not able to maintain the rates we charge or appropriate chargeability for our professionals, our profit margins will suffer. The rates we are able to charge for our services are affected by a number of factors, including: our clients' perception of our ability to add value through our services; introduction of new services or products by us or our competitors; pricing policies of our competitors; and general economic conditions. Chargeability is also affected by a number of factors, including: our ability to transition employees from completed projects to new engagements; and our ability to forecast demand for our services and thereby maintain an appropriate head count.

Our future results will depend on market acceptance of our high-end enterprise servers.

In our technology business, we are focusing our resources on high-end enterprise servers based on our Cellular MultiProcessing (CMP) architecture. Our CMP servers are designed to provide mainframe-class capabilities with compelling price-performance by making use of

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standards-based technologies such as Intel chips and Microsoft operating system software. In recent months we have transitioned both our legacy ClearPath servers and our Intel-based ES7000s to the CMP platform, creating a common platform for all the company's high-end server lines. Our future results will depend, in part, on customer acceptance of our new CMP-based ClearPath Plus systems and our ability to maintain our installed base for ClearPath, which continues to provide

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the majority of operating profit in the company's technology business. In addition, our future results will depend, in part, on our 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 our ability to succeed will depend on our ability to compete effectively against enterprise server competitors with more substantial resources and on our ability to achieve market acceptance of the ES7000 technology by clients, systems integrators, and independent software vendors.

Our contracts may not be as profitable or provide the level of revenues that we expect.

A number of our 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 we do not meet the performance levels specified in the contracts.

Some of our systems integration contracts are fixed-price contracts under which we assume the risk for the delivery of the contracted services and products at an agreed-upon fixed price. At times we have experienced problems in performing some of these fixed-price contracts on a profitable basis and have provided periodically for adjustments to the estimated cost to complete them. Our future results will depend on our ability to perform these services contracts profitably.

We frequently enter 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.

We may face damage to our reputation or legal liability if our clients are not satisfied with our services or products.

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

Our future results will depend in part on the performance and capabilities of third parties.

We have commercial relationships with suppliers, channel partners and other parties that have complementary products, services or skills. Our 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 our relationship with, distributors and other indirect channel partners.

We are subject to the risks of doing business internationally.

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We derive approximately 57% of our total revenue from international operations. Due to our foreign operations, we are exposed to the effects of foreign currency exchange rate fluctuations on the U.S. dollar. We use foreign exchange forward contracts and foreign exchange options to manage our exposure to market risks from changes in foreign currency exchange rates.

In addition to fluctuations in foreign currency exchange rates, many other factors beyond our control could affect our international business. These include:

changes in political or economic conditions;

trade protection measures;

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import or export licensing requirements;

the burdens of complying with a variety of foreign laws and regulations;

multiple and possibly overlapping and conflicting tax laws; and

weaker intellectual property protections in some jurisdictions.

Our services or products may infringe upon the intellectual property rights of others.

We cannot be sure that our services and products do not infringe on the intellectual property rights of third parties, and we may have infringement claims asserted against us or against our clients. These claims could cost us money or prevent us from offering some services or products. Historically in our contracts, we have generally agreed to indemnify our clients for any expenses or liabilities resulting from claimed infringements of the intellectual property rights of third parties. In some instances, the amount of these indemnities may be greater than the revenues we receive from the client. Any claims or litigation in this area, whether we ultimately win or lose, could be time-consuming and costly, injure our reputation or require us to enter into royalty or licensing arrangements.

We incurred charges in the fourth quarters of 2000 and 2001.

Given the weak economic environment and the rapidly changing market for information technology products and services, we took actions in the fourth quarters of each of 2000 and 2001 to reduce our cost structure and to refocus our resources on higher-growth businesses and products. As a result:

In the fourth quarter of 2000, we took a pre-tax charge of \$127.6 million, primarily for a work-force reduction. After the charge and an extraordinary item, we reported net income of \$225.0 million for the full year.

In the fourth quarter of 2001, we took a pre-tax charge of \$276.3 million, primarily for a work-force reduction. After this charge and an extraordinary item, we reported a net loss of \$67.1 million for the full year.

We could incur charges and/or experience losses in the future.

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SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This prospectus contains and incorporates by reference statements that do not directly or exclusively relate to historical facts. These types of statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can often identify forward-looking statements by the use of words such as may, could, project, believe, anticipate, expect, estimate, continue, potential, forecast. Forward-looking statements rely on assumptions and are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from the expectations suggested or implied by these forward-looking statements. You should read and interpret forward-looking statements together with the following, which describe these assumptions, risks, uncertainties, and other factors:

the risk factors contained in this prospectus under the caption **Risk Factors** ;

our most recent Annual Report on Form 10-K under the heading **Management's Discussion and Analysis of Financial Condition and Results of Operations** ;

our Quarterly Reports on Form 10-Q; and

our other SEC filings.

Any forward-looking statement speaks only as of the date on which that statement is made. We will not update any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made.

ABOUT UNISYS

We are a worldwide information services and technology company providing business solutions that help customers use information technology to seize opportunities, overcome challenges and succeed in the global economy. We have two business segments **services and technology** and we provide services and technology to commercial businesses and governments throughout most of the world.

Services Segment In the services segment, we provide a range of services and solutions designed to help clients apply information technology to meet their business needs. Our portfolio of solutions and services includes consulting and systems integration; outsourcing, including the management of a customer's internal information systems and management of specific business processes, such as payment processing, mortgage administration and cargo management; network services involving the management and support of customers' multi-vendor networks, desktops and servers; and security solutions to protect systems, networks, applications and data.

Technology Segment In the technology segment, we develop servers and related products that operate in high-volume, mission-critical environments. Major offerings include enterprise-class servers based on our Cellular MultiProcessing architecture, such as the ClearPath Enterprise server, which integrates proprietary and open platforms, and Intel-based servers with enterprise-class attributes, such as the ES7000 server; system middleware to power high-end servers; storage products; payment systems; and specialized technologies.

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The primary vertical markets we serve worldwide include financial services, communications, transportation, media, commercial and public sector, including the U.S. federal government.

Products and services are marketed primarily through a direct sales force. In certain foreign countries, we market primarily through distributors.

No single customer accounts for more than 10% of our consolidated revenue. Sales of commercial products to various agencies of the U.S. government represented 10% of total consolidated revenue in 2001.

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The principal executive offices of Unisys are located at Unisys Way, Blue Bell, Pennsylvania 19424. Our telephone number is (215) 986-4011.

ABOUT THE TRUSTS

Each of the trusts is a Delaware business trust governed by a declaration of trust, which may be amended and restated from time to time, among the trustees of each trust and Unisys Corporation, as sponsor of the trusts. From time to time, the trusts may issue preferred securities and invest the proceeds in subordinated debt securities issued by Unisys. Each time a trust offers its trust preferred securities, it will provide the terms of those securities and related matters in a prospectus supplement.

Unisys will directly or indirectly own all of the common securities of each of the trusts. The common securities will rank equally with, and each trust will make payments on the common securities of that trust in proportion to, the corresponding trust preferred securities, except that if an event of default occurs under the applicable declaration of trust, our rights as holder of the common securities to payments will be subordinated to your rights as holder of the applicable preferred securities. We will, directly or indirectly, hold common securities in an aggregate liquidation amount equal to 3% of the total capital of each of the trusts, or such other amount stated in the applicable prospectus supplement.

Each trust will initially have four trustees. Three of them, referred to as regular or administrative trustees, are officers or employees of Unisys. The fourth, referred to as the Delaware trustee, is HSBC Bank & Trust Company (Delaware), National Association, which has its principal place of business in the State of Delaware. Prior to the issuance of any trust preferred securities, we will appoint an additional trustee, referred to as the property trustee or the institutional trustee, to act as property trustee for purposes of the Trust Indenture Act of 1939. The property trustee will be HSBC Bank USA or another financial institution that is not an affiliate of Unisys. Unisys, as holder of the common securities, is entitled to appoint, remove or replace any of, or increase or decrease the number of, the trustees of each of the trusts.

The rights of the holders of the trust preferred securities of a trust, including economic rights, rights to information and voting rights, and the duties and obligations of the trustees of a trust, will be contained in and governed by the declaration of that trust, as it may be amended and restated from time to time, the Delaware Business Trust Act and the Trust Indenture Act of 1939.

We will pay all of the trusts' fees and expenses, including those relating to any offering of preferred securities. In addition, we guarantee payments on the preferred securities to the extent the trusts can themselves make payments on the preferred securities.

The office of the Delaware trustee for each trust is 1201 Market Street, Suite 1001, Wilmington, Delaware 19801. Each trust's principal place of business is 15 Atlantic Avenue, Ocean View, Delaware 19970.

USE OF PROCEEDS

Unless we indicate otherwise in a prospectus supplement, we plan to use the net proceeds from the sale of the securities for general corporate purposes, to reduce or refinance indebtedness and to make acquisitions or engage in other business opportunities. Any proceeds of securities issued by either of the trusts would be used to purchase subordinated debt securities from us.

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**RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS
TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred stock dividends for each of our last five fiscal years appear below. We computed the ratio of earnings to fixed charges by dividing earnings by fixed charges. We computed the ratio of earnings to combined fixed charges and preferred stock dividends by dividing earnings by the sum of fixed charges and preferred dividend requirements. Earnings consist of income (loss) from continuing operations before income taxes, minus undistributed earnings of associated companies, plus amortization of capitalized interest and fixed charges, less interest capitalized during the period. Fixed charges consist of interest expense on all indebtedness, interest capitalized during the period, amortization of debt issuance expense and the portion of rental expense representative of interest. We had no outstanding preferred stock and paid no preferred stock dividends after 1999.

Ratio of Earnings to Fixed Charges

Year Ended December 31,				
1997	1998	1999	2000	2001
*	3.63	5.27	3.56	*

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

Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends

Year Ended December 31,				
1997	1998	1999	2000	2001
*	2.53	4.25	3.56	*

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

DESCRIPTION OF DEBT SECURITIES

This section describes the general terms and provisions of our debt securities. You should refer to the applicable indenture and the applicable prospectus supplement for more specific information and the specific terms of a particular offering.

General

Our debt securities will be either senior debt securities or subordinated debt securities. The senior debt securities will rank equally with all of our existing and future unsecured and unsubordinated indebtedness. The subordinated debt securities will rank junior to all of our existing and future senior indebtedness in right of payment.

The senior debt securities will be issued under a senior indenture between us and HSBC Bank USA or another trustee chosen by us, and the subordinated debt securities will be issued under a subordinated indenture between us and HSBC Bank USA or another trustee chosen by us, in each case, as may be supplemented by a supplemental indenture relating to the specific terms of the debt securities offered. We have filed forms of both indentures as exhibits to the registration statement of which this prospectus is a part.

The indentures will not limit the amount of debt securities that we may issue and will permit us to issue securities from time to time in one or more series. We may issue our debt securities separately, upon conversion

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of or in exchange for our preferred stock or other debt securities or as part of a stock purchase unit. The debt securities will be our direct unsecured general obligations. They may bear interest at a fixed or floating rate or they may not bear interest. We may issue debt securities at, above or below their stated principal amount, as described more fully in the applicable prospectus supplement.

The applicable prospectus supplement will describe the following terms of any series of debt securities that we may offer:

the title of the debt securities;

whether they are senior or subordinated;

the total amount of the debt securities authorized and the amount outstanding, if any;

any limit on the aggregate principal amount of the debt securities offered by that prospectus supplement;

when the principal of the debt securities will mature;

the interest rate, if any, or the method for determining it, including any procedures to determine, vary or reset the interest rate;

when interest, if any, will be payable, as well as the record dates for determining to whom we will pay interest;

where the principal of, and premium and interest if any on, the debt securities will be paid;

redemption, call, repurchase or sinking fund provisions, if any;

whether the debt securities will be issued in global or certificated form and, in the case of global securities, the name of the depository, if any;

if we are going to make payments to the holder in a foreign currency or currencies, the currency or currencies and manner of conversion from U.S. dollars;

any index we may use to determine the amount of payment of principal of, and premium and interest if any on, the debt securities;

whether the debt securities are convertible into or exchangeable for any other securities and the terms and conditions upon which a conversion or exchange may occur;

any additions or changes to events of default or covenants provided in the applicable indenture;

any other terms of the debt securities that vary from the terms in the applicable indenture;

any material U.S. federal income tax considerations; and

any other information we think is important with respect to the terms and other provisions of the securities.

Denominations, Registration and Transfer

We will issue debt securities as registered securities (without coupons) either in certificated form or in the form of one or more global securities. We will issue book-entry debt securities as registered global securities. Each global security will be issued in the denomination of the aggregate principal amount of the securities that it represents. Unless otherwise stated in the applicable prospectus, we will issue the debt securities in denominations of \$1,000 or integral multiples thereof.

A holder may exchange certificated debt securities for other debt securities of the same series in a like aggregate principal amount but in different authorized denominations. Whenever any such debt securities are surrendered for exchange, we will execute, and the trustee will authenticate and deliver, the debt securities that the holder making the exchange is entitled to receive.

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A holder may present debt securities in certificated form for registration of transfer (with the form of transfer printed on the security duly executed) at the office of the security registrar that we designate for such purpose. Unless we state otherwise in the applicable prospectus supplement, the security registrar will be the trustee we appointed under the indenture for the applicable debt securities. There will be no service charge to register the transfer, but the holder is responsible for paying any taxes and other governmental charges. Any transfer or exchange is subject to the security registrar being satisfied with the documents of title and identity of the person making the request.

For a discussion of restrictions on the exchange, registration and transfer of global securities, see the section below entitled **Global Securities**.

Payment and Paying Agents

Unless otherwise indicated in an applicable prospectus supplement, we will pay the principal of, and premium and interest if any on, debt securities to a paying agent, whom we will designate from time to time. However, at our option we may pay any interest (1) by check mailed to you at your address appearing in the security register or (2) by wire transfer to an account maintained by you. Unless otherwise stated in the applicable prospectus supplement, we will pay interest to you on the applicable payment date if the debt security is registered in your name at the close of business on the regular record date for that interest payment.

Unless otherwise indicated in an applicable prospectus supplement, the trustee under the applicable indenture will act as our sole paying agent through its principal office. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that we will be required to maintain a paying agent in each place of payment for each series. If, after two years, moneys that we paid to a paying agent remain unclaimed, the paying agent will remit the moneys to us, together with any interest, and you may look only to us for payment (or to the applicable state if we are required to escheat the moneys).

Global Securities

We will deposit any global securities with a depository or its nominee identified in the applicable prospectus supplement. While the applicable prospectus supplement will describe the specific terms of the depository arrangement, we expect the following general provisions to apply to our depository arrangements:

Global securities will be registered in the name of the depository or its nominee. Upon the issuance of a global security, the depository or nominee will credit, on its book-entry registration and transfer system, the principal amounts of the debt securities represented by the global security to the accounts of institutions that have accounts with the depository or nominee. If we are offering and selling the debt securities directly, we will designate the accounts to be credited; otherwise, our underwriter or agent will do so. Ownership of beneficial interests in a global security will be limited to participating institutions or their clients. The depository or its nominee will keep records of the ownership and transfer of beneficial interests in a global security by participating institutions. Participating institutions will keep records of the ownership and transfer of beneficial interests by their clients. The laws of some jurisdictions may require that purchasers of securities receive them in certificated form. This may limit the ability to transfer beneficial interests in a global security.

So long as the depository or its nominee is the registered owner of a global security, it will be considered the sole owner or holder of the debt securities represented by the global security for all purposes under the applicable indenture. Except as set forth below, owners of beneficial interests in the global securities will not be entitled to have debt securities represented by the global security registered in their names, will not

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receive or be entitled to receive debt securities in certificated form and will not be considered the owners or holders thereof under the applicable indenture. Accordingly, if a holder owns a beneficial interest in a global security, the holder must rely on the depositary and, if applicable, the participating institution of which that holder is a client to exercise the rights of that holder under the applicable indenture.

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The depositary may grant proxies and otherwise authorize participating institutions to take any action that a holder is entitled to take under the indentures. We understand that, according to existing industry practices, if we request any action of holders, or any owner of a beneficial interest in a global security wishes to give any notice or take any action, the depositary would authorize the participating institutions to give the notice or take the action, and the participating institutions would in turn authorize their clients to give the notice or take the action.

Generally, we will make payments on debt securities represented by a global security directly to the depositary or its nominee. It is our understanding that the depositary will then credit the accounts of participating institutions, which will then distribute funds to their clients. We also expect that payments by participating institutions to their clients will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of clients registered in street names, and will be the responsibility of the participating institutions. Neither we nor the trustees, nor our respective agents, will have any responsibility, or bear any liability, for any aspects of the records relating to or payments made on account of beneficial interests in a global security, or for maintaining, supervising or reviewing records relating to beneficial interests.

Generally, a global security may be exchanged for certificated debt securities only in the following instances:

the depositary notifies us that it is unwilling or unable to continue as depositary, or it ceases to be a registered clearing agency, if required to be registered by law, and thereafter a successor is not appointed within 90 days; or

we determine in our sole discretion that we will no longer have debt securities represented by global securities or that we will permit global securities to be exchanged for certificated debt securities.

Certain Covenants Applicable to Senior Debt Securities

Unless otherwise indicated in the applicable prospectus supplement, senior debt securities will have the benefit of the following covenants contained in the senior indenture, and subordinated debt securities will not have the benefit of these covenants:

Limitation Upon Mortgages and Liens

Neither Unisys nor a Subsidiary will create or assume, except in favor of Unisys or a Wholly-Owned Subsidiary, any mortgage, pledge, lien or encumbrance upon any Real Property or any stock or indebtedness of any Subsidiary without equally and ratably securing the outstanding senior debt securities. This limitation will not apply to permitted encumbrances specified in the senior indenture, including:

mortgages, pledges, liens and encumbrances existing on the execution date of the senior indenture;

purchase money mortgages entered into within specified time limits;

liens existing on acquired property;

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tax, materialmen's, mechanics' and judgment liens, liens arising by operation of law and other similar liens;

liens in connection with government contracts;

mortgages, pledges, liens or encumbrances in favor of any state or local government or governmental agency in connection with tax-exempt financings;

pledges of customers' accounts or paper; and

mortgages, pledges, liens and encumbrances not otherwise permitted if the sum of the indebtedness thereby secured plus the Attributable Debt in respect of certain sale and leaseback transactions does not exceed the greater of \$250,000,000 or 5% of Consolidated Stockholders' Equity.

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Limitation Upon Sale and Leaseback Transactions

Unisys and any Subsidiary will be prohibited from selling any Real Property with the intention of taking back a lease thereof (other than a temporary lease of not more than 36 months), unless:

the sum of the Attributable Debt with respect to property involved in sale and leaseback transactions not otherwise permitted plus all indebtedness secured by certain mortgages, pledges, liens and encumbrances does not exceed the greater of \$250,000,000 or 5% of Consolidated Stockholders' Equity; or

the greater of the net proceeds of the sale or the fair market value of the Real Property (which may be conclusively determined by our board of directors) are applied within 120 days to the optional retirement of outstanding senior debt securities or to the optional retirement of other Funded Debt (as defined in the senior indenture) ranking on a parity with the senior debt securities.

Certain Definitions

The capitalized terms used in the summary of the covenants above have the following definitions:

Attributable Debt means, as to any sale and leaseback transaction, at any date as of which the amount thereof is to be determined, the total amount determined by multiplying (1) the aggregate sale price of the Real Property by (2) a fraction, the numerator of which is the number of months in the unexpired term of the lease of the Real Property and the denominator of which is the number of months in the full term of such lease (in each case excluding any renewal term unless the renewal is at the option of the lessor).

Consolidated Stockholders' Equity means the total stockholders' equity of Unisys and its consolidated subsidiaries which, under generally accepted accounting principles in the United States, would appear on a consolidated balance sheet of Unisys and its subsidiaries, excluding direct equity adjustments effected pursuant to certain generally accepted accounting principles.

Real Property means any real property, and any building, structure or other facility thereon, located in the United