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UNISYS CORP
Form 11-K
June 30, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K
ANNUAL REPORT
Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 1-8729

A. Full title of the plan and the address of the plan, if different from
that of the issuer named below:

UNISYS SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

UNISYS CORPORATION
Unisys Way
Blue Bell, Pennsylvania 19424

REQUIRED INFORMATION

Financial Statements and Supplemental Schedule

Unisys Savings Plan

Years ended December 31, 2002 and 2001
with Report of Independent Auditors

CONTENTS

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Report of Independent Auditors	1
Audited Financial Statements:	
Statements of Assets Available for Benefits	2
Statements of Changes in Assets Available for Benefits	3
Notes to Financial Statements	4
Supplemental Schedule:	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	10
Exhibit Index	12

1

Report of Independent Auditors

Unisys Corporation
Employee Benefits Administrative Committee

We have audited the accompanying statements of assets available for benefits of the Unisys Savings Plan (the Plan) as of December 31, 2002 and 2001, and the related statements of changes in assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan at December 31, 2002 and 2001, and the changes in its assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2002, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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Ernst & Young LLP
 Philadelphia, Pennsylvania
 May 23, 2003

2

Unisys Savings Plan
 Statements of Assets Available for Benefits

	December 31	
	2002	2001

(In Thousands)		
Investments at fair value:		
Fidelity Mutual Funds	\$ 1,423,184	\$ 1,776,829
Unisys Common Stock Funds	177,975	211,510
Unisys Interest Income Fund	398,727	391,456
Participants' Loans	14,906	17,372
Frozen Investment Contracts	13	23

Assets available for benefits	\$ 2,014,805	\$ 2,397,190
=====		

See accompanying notes.

3

Unisys Savings Plan
 Statements of Changes in Assets Available for Benefits

	Year ended December 31	
	2002	2001

(In Thousands)		
Additions:		
Interest and dividend income	\$ 51,398	\$ 69,014
Contributions:		
Employer	17,895	18,305
Employee	84,179	83,766

	102,074	102,071

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Total additions	153,472	171,085

Deductions:		
Benefit payments	225,040	230,419
Administrative and other expenses	115	109

Total deductions	225,155	230,528

Net depreciation in fair value of Investments	(310,702)	(263,400)

Net decrease	(382,385)	(322,843)

Assets available for benefits:		
Beginning of year	2,397,190	2,720,033

End of year	\$ 2,014,805	\$ 2,397,190
=====		

See accompanying notes.

4

Unisys Savings Plan
Notes to Financial Statements
December 31, 2002

1. PLAN DESCRIPTION

The Unisys Savings Plan (the Plan) is a defined contribution plan that covers nonbargaining employees paid from a United States payroll of Unisys Corporation (the Company) and bargaining unit employees whose collective bargaining agreement provides for participation in the Plan. The Employee Benefits Administrative Committee is the Plan administrator. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Participants should refer to the Plan document, summary plan description and their respective bargaining unit agreement, if applicable, for complete information.

CONTRIBUTIONS

Each plan year, participants may contribute up to 20% or 18% of their pretax compensation, depending on their classification as a non-highly compensated or highly compensated employee, respectively. Participants may also make after-tax contributions up to 5% of their eligible compensation. The Company makes a non-discretionary matching contribution in Company Common Stock equal to 50% of the first 4% of compensation deferred by the participant during 2002 and 2001. The Plan also allows for rollover contributions from other qualified defined contribution plans.

INVESTMENT OPTIONS

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Participants may elect to have their current contributions and existing account balances invested in any one or more of the investment options offered and managed by Fidelity Management & Research Company and Fidelity Management Trust Company (Fidelity). Information regarding the investment options is provided to each participant through electronic media and prepared materials provided by the Company and in each investment fund's prospectus made available by Fidelity.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's contributions, matching contributions from the Company and allocations of Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as determined. The benefit to which a participant is entitled is equal to the vested portion of their account.

5

1. PLAN DESCRIPTION (continued)

VESTING AND FORFEITURES

Plan participants are immediately vested in their account balances at all times.

DISTRIBUTIONS/WITHDRAWALS

On termination of service, a participant may receive a lump-sum amount equal to his or her account, or upon death, disability or retirement, elect to receive payments in the form of an annuity or annual installments over the participant's actuarially determined lifetime. Plan participants also may receive in-service withdrawals in certain circumstances as defined in the Plan. Loans are also available to Plan participants in accordance with Plan rules and procedures.

PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its matching contributions and/or to terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants remain 100% vested in their accounts.

2. SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

INVESTMENT VALUATION AND INCOME RECOGNITION

The Plan's investments are stated at fair value, except for the Unisys Interest Income Fund which includes investments in guaranteed investment contracts issued principally by insurance companies and financial institutions which are valued at contract value as estimated by the insurance companies. Contract value represents contributions and reinvested income, less any withdrawals plus accrued interest, because these investments have fully benefit responsive features. All participant initiated transactions with the fund are permitted at contract value with no conditions, limits or restrictions. However, withdrawals influenced by Company-initiated events, such as in connection with the sale of a business, may result in a distribution at other than contract value. No reserves have been provided or are considered necessary against contract values for credit risk of contract issuers or otherwise. Contract value of these investment contracts approximates their fair value. Interest accrued on the contract balances, during 2002 and 2001, at rates ranging from 1.35% to 5.95% and from 2.12% to 6.35%, respectively. Interest rates are set at the time the contract is negotiated and, depending on the terms of the contract, are fixed through the maturity date or are re-set quarterly, semi-annually or annually. The average yield on the contracts was 5.69% and 6.24% for 2002 and 2001, respectively.

As of December 31, 2002 and 2001, the Plan had no significant concentrations of credit risk.

Shares of registered investment companies are valued at quoted market prices, which represent net asset values of shares held by the Plan at year-end. Shares of Unisys common stock are valued at the closing market price on the last day of the Plan year. Participant loans are valued at the outstanding principal balance, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is reported on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains and losses from securities sold are reported on an average cost basis.

Investments in Frozen Investment Contracts represent the cash balance from payments made to the Plan from the Conservation Estate of the Executive Life Insurance Company (ELIC) and from state guaranty associations in settlement of claims made by the Plan as a result of the insolvency of ELIC. The remaining cash balance at December 31, 2002 represents amounts that will be allocated to Plan participants or applied to pay administrative expenses of the Plan.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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RECLASSIFICATIONS

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

3. INVESTMENTS

The Plan's investments at December 31, 2002 and 2001 were held in trusts with Fidelity Management Trust Company, Wachovia Bank N.A. (formerly First Union National Bank), and Oriental Bank & Trust, each of which was established for the investment of the Plan's assets.

During 2002 and 2001, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated (depreciated) in fair value as follows (in thousands):

	2002	2001
Fidelity Mutual Funds	\$ (265,217)	\$ (229,354)
Unisys Common Stock Funds	(41,771)	(30,740)
Unisys U.S. Equity Index Commingled Pool Fund	(5,386)	(3,528)
Frozen Investment Contracts	838	188
	\$ (311,536)	\$ (263,434)

Investments that represent 5% or more of fair value of the Plan's assets are as follows (in thousands):

	2002	2001
* Unisys Stock Fund	\$167,700	\$197,407
Unisys Interest Income Fund	398,727	391,456
Fidelity Magellan Fund	222,767	320,384
Fidelity Asset Manager Fund	183,673	222,673
Fidelity Asset Manager Growth Fund	178,337	228,110
Fidelity Retirement Money Market Portfolio Fund	140,230	153,369

* Predominantly nonparticipant-directed

8

3. INVESTMENTS (continued)

The assets and significant components of the changes in assets relating to the predominantly non-participant-directed investments are as follows (in thousands):

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	December 31	
	2002	2001
Investments, at fair value:		
Unisys Stock Fund	\$ 167,700	\$ 197,407
Unisys Common Stock Fund	10,232	14,044
Interest-Bearing Cash	43	59
Frozen Investment Contracts	13	23
Total	\$ 177,988	\$ 211,533

	Year ended December 31	
	2002	2001
Changes in assets:		
Interest and dividends	\$ 137	\$ 203
Net depreciation in fair value of		
Investments	(40,918)	(30,553)
Contributions	20,143	21,583
Benefit payments	(11,063)	(13,400)
Administrative and other expenses	(10)	(12)
Net transfers	(1,834)	(28,319)
Total	\$ (33,545)	\$ (50,498)

At December 31, 2002, the Plan held 1,037,857 and 16,932,513 shares of Unisys Common Stock in the Unisys Common Stock Fund and Unisys Stock Fund, respectively. At December 31, 2001, the Plan held 1,124,633 and 15,736,804 shares of Unisys Common Stock in the Unisys Common Stock Fund and Unisys Stock Fund, respectively.

9

4. TAX STATUS OF THE PLAN

The Plan has received a determination letter from the Internal Revenue Service dated September 25, 2002, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trusts are exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended and restated, continues to be qualified and the related trusts are tax-exempt.

10

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Supplemental Schedule
 Unisys Savings Plan
 EIN: 38-0387840 Plan: 004

Schedule H, Line 4i-
 Schedule of Assets (Held at End of Year)

December 31, 2002

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Par or Maturity Value	Cost	Current Value
*Fidelity Mutual Funds:			
Fidelity Fund	567,122 shares	\$ 18,441,228	\$ 12,624,
Puritan Fund	922,974 shares	16,271,186	14,573,
Trend Fund	63,604 shares	3,652,260	2,457,
Ginnie Mae Portfolio Fund	1,229,774 shares	13,452,369	13,822,
Magellan Fund	2,821,270 shares	258,039,487	222,767,
Contra Fund	1,720,975 shares	78,645,012	66,429,
Equity Income Fund	287,780 shares	13,286,255	11,416,
Growth Company Fund	686,124 shares	43,823,783	24,302,
Investment Grade Bond Fund	1,299,809 shares	9,517,265	9,839,
Growth & Income Portfolio Fund	1,152,750 shares	41,582,012	34,939,
Intermediate Bond Fund	777,795 shares	8,017,359	8,345,
Capital & Income Portfolio Fund	684,255 shares	5,777,999	4,297,
Value Fund	543,857 shares	26,965,389	25,229,
Mortgage Securities Portfolio Fund	458,524 shares	5,040,221	5,162,
Government Securities Fund	1,594,405 shares	16,155,394	16,709,
Independence Fund	688,953 shares	15,209,822	9,004,
Over-The-Counter Portfolio Fund	509,040 shares	23,399,492	12,171,
Overseas Fund	231,123 shares	7,589,979	5,084,
Europe Fund	282,994 shares	7,907,129	5,184,
Pacific Fund	264,975 shares	4,593,934	3,381,
Real Estate Investment Portfolio Fund	539,669 shares	9,828,568	9,924,
Balanced Fund	874,796 shares	12,717,226	11,626,
International Growth & Income Fund	273,042 shares	5,715,344	4,592,
Capital Appreciation Fund	324,177 shares	6,862,212	5,245,
Conv. Securities Fund	489,377 shares	10,072,234	7,996,
Canada Fund	63,956 shares	1,268,488	1,158,
Utilities Fund	790,921 shares	14,292,724	7,671,
Blue Chip Fund	1,581,990 shares	62,998,967	50,528,
Asset Manager Fund	13,309,632 shares	215,513,967	183,672,
Disciplined Equity Fund	201,785 shares	5,041,210	3,626,
Low-Priced Fund	1,316,085 shares	33,733,839	33,125,
Worldwide Fund	347,386 shares	5,311,378	4,126,
Equity Income II Fund	1,555,703 shares	36,083,589	27,053,
Stock Selector Fund	354,817 shares	8,712,224	5,882,
Asset Manager Growth Fund	14,898,690 shares	234,815,185	178,337,
Emerging Markets Fund	203,128 shares	2,052,484	1,464,
Aggressive Growth Fund	1,715,256 shares	64,858,020	19,193,
Diversified International Fund	665,487 shares	12,428,046	11,419,
Asset Manager Income Fund	2,807,771 shares	32,078,998	30,492,
Diversified Growth Fund	1,463,905 shares	38,713,798	32,674,
New Markets Income Fund	555,332 shares	6,243,458	6,291,
Export & Multinational Fund	236,288 shares	4,191,184	3,248,
Global Balanced Fund	53,724 shares	815,883	794,

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Aggressive International Fund	114,012 shares	1,680,006	1,223,
Small Capital Stock Fund	759,886 shares	11,294,178	10,106,
Mid-Capital Stock Fund	1,072,980 shares	24,722,530	17,446,
Large-Capital Stock Fund	230,723 shares	4,004,245	2,572,
Europe Capital Appreciation Stock Fund	150,715 shares	2,751,775	2,084,
Latin America Fund	69,913 shares	963,805	652,
Japan Fund	416,025 shares	6,436,265	3,507,
Southeast Asia Fund	128,639 shares	1,567,186	1,242,
Freedom Income Fund	26,797 shares	290,708	284,
Freedom 2000 Fund	36,648 shares	438,100	403,
Freedom 2010 Fund	292,113 shares	3,824,668	3,341,
Freedom 2020 Fund	230,615 shares	3,086,844	2,453,
Freedom 2030 Fund	153,400 shares	2,174,279	1,570,
Target Timeline 2003 Fund	56,792 shares	538,552	542,
Spartan Total Market Index Fund	133,441 shares	4,082,722	3,075,
Spartan Extended Market Index Fund	49,313 shares	1,326,680	948,
Spartan International Market Index Fund	24,417 shares	735,354	491,
Short-Term Bond Fund	488,600 shares	4,296,441	4,392,
Fifty Fund	312,838 shares	5,800,965	5,017,
U.S. Bond Index Portfolio Fund	1,852,744 shares	19,896,831	20,824,
Institutional Short-Intermed. Gov't. Portfolio	323,064 shares	3,058,798	3,172,
Contra II	29,668 shares	281,932	257,
Asset Manager Aggressive	31,700 shares	299,881	219,
Strat Inc.	281,841 shares	2,586,517	2,649,
FID Freedom 2040	26,181 shares	173,414	153,

		1,548,029,277	1,236,528,
 *Fidelity Money Market Funds:			
Retirement Money Market Portfolio Fund	140,229,741 shares	140,229,741	140,229,
Retirement Gov't. Money Market Portfolio Fund	28,057,661 shares	28,057,661	28,057,

		168,287,402	168,287,
 *Fidelity U.S. Equity Index Commingled Pool Fund	699,224 units	18,408,505	18,368,

Total Fidelity Mutual Funds		1,734,725,184	1,423,184,
 *Unisys Common Stock Funds:			
Unisys Common Stock Fund	1,033,544 units	9,830,359	10,232,
Unisys Stock Fund	10,946,454 units	249,716,509	167,699,
Interest-Bearing Cash	42,638 shares	42,638	42,

Total Unisys Common Stock Funds		259,589,506	177,974,
 *Unisys Interest Income Fund:			
CDC	#BR-137-02; 5.62%	6,018,904	6,018,
Fidelity Stif	Cash Portfolio; 1.35%	4,556,731	4,556,
Chase Manhattan Bank	#430126; 5.95%	96,747,743	96,747,
Monumental Life Insurance Company	#MDA134TR; 5.94%	97,134,046	97,134,
Rabobank Nederland	#UNI-129901; 5.94%	97,134,866	97,134,

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UBS Warburg	#3041; 5.94%	97,134,737	97,134,
Total Unisys Interest Income Fund		398,727,027	398,727,
*Participants' Loans		-	14,906,
Frozen Investment Contracts		12,780	12,
Total		\$2,393,054,497	\$2,014,805,
* Party-In-Interest.			

11

SIGNATURES

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

UNISYS SAVINGS PLAN

UNISYS CORPORATION

Date: June 30, 2003

By: /s/ Janet Brutschea Haugen

 Janet Brutschea Haugen
 Senior Vice President and
 Chief Financial Officer

12

EXHIBIT INDEX

Exhibit Number -----	Description -----
23	Consent of Ernst & Young LLP, Independent Auditors
99.1	Certification of Lawrence A. Weinbach pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
99.2	Certification of Janet B. Haugen pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350