

[20568001]



[20568013]

The tax payments will leave Unisys with \$ 225 million in loss carry-forwards that will cut tax payments in future quarters .

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The company also reported slower growth in another important business : systems that use the Unix operating system .

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That would be a huge problem if it were to continue , because Unisys is betting its business on the assumption that customers want to move away from using operating systems that run on only one manufacturer 's equipment and toward systems - mainly Unix - that work on almost anyone 's machines .

[20568018]

In addition , Unisys must deal with its increasingly oppressive debt load .

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Debt has risen to around \$ 4 billion , or about 50 % of total capitalization .

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That means Unisys must pay about \$ 100 million in interest every quarter , on top of \$ 27 million in dividends on preferred stock .

[20568021]

Jim Unruh , Unisys 's president , said he is approaching next year with caution .

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He said the strength of the world-wide economy is suspect , and does n't see much revenue growth in the cards .

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He also said that the price wars flaring up in parts of the computer industry will continue through next year .

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He said the move toward standard operating systems means customers are n't locked into buying from their traditional computer supplier and can force prices down .

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That , he said , is why Unisys is overhauling its whole business : It needs to prepare for a world in which profit margins will be lower than computer companies have been used to .

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" We 've approached this not as a response to a temporary condition in the industry but as a fundamental change the industry is going through . " Mr. Unruh said .

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